THE NEW REPUBLIC

A Journal of Opinion

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No Throttlebottom

One of the most important acts of the Democratic convention was its choice of Vice President. Too often in recent years this post has gone to a nonentity for partisan political reasons. Even the Republican convention, though it chose in Mr. McNary a popular and eminent man, tried the usual trick of winning as many votes as possible by picking a candidate who was the opposite number of its choice for President. The Democrats had done that with Mr. Garner, and the embarrassment that can be so caused to a positive administration program is only too evident.

Two additional considerations of national interest existed this time. One is the ever present uncertainty that a President can survive—a consideration reinforced by the heavy burden of office in a period of crisis, especially if prolonged to twelve years. The other is the choice of his successor four years hence. In picking Mr. Wallace, the convention not only followed the President's wishes, but disregarded political expediency, in so far as Mr. Wallace can command few votes that would not go to Mr. Roosevelt anyway. The candidate selected was not a politician, but a sincere and able exponent of New Deal measures, a man who would be fully capable of occupying the chair of the Chief Executive.

It has been Mr. Wallace's bad fortune rather than any lack of skill within his province that the farm program has not been more successful. The measures he has sponsored are infinitely sounder than those proposed by Mr. McNary. And the farmers largely appreciate it. According to a Gallup poll five months ago, 73 percent of them said they thought he had done a good job.

The Conflict at Havana

Within the next week or two one great question for the United States will probably be answered: how far Latin America intends to coöperate in our hemispherical plans for military defense and economic solidarity. At this moment the outlook does not seem encouraging. Some factions in Latin America are secretly or openly on the side of the Nazis; other powerful interests, chiefly in the Argentine, know that Europe is their chief export market and prefer to trade directly instead of running the risk of trouble through United States intervention. There is reluctance to accept the plan for taking over and jointly managing the French and Dutch colonies in this hemisphere for fear Hitler may defeat Great Britain and then take revenge on the American countries for an unfriendly act. The attitude of the United States is that we intend to carry through our plans for keeping the fascist dictators out of the New World, with Latin America's help if possible but without it if necessary. President Roosevelt's request for $500,000,000 for the Export-Import Bank was a signal to the Latins that we mean business. Whether they are convinced, we shall soon know.

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What Hitler Didn't Say

The Hitler "peace offer" to England, and the replies by Lord Halifax and Winston Churchill, have less to do with the actual possibility of ending the war than with the attempt to win it by attack on the mind and emotions. Hitler's speech made no genuine offer of peace and was probably an effort to divide and dishearten the British people and to justify to the Germans the unparalleled slaughter and destruction involved in an offensive against England. There are unconfirmed reports that some days before Hitler spoke, British and German representatives had held secret meetings to discuss possible peace terms, without success. These reports are of a kind that have in the past almost invariably proved false; it is hard to believe that the Churchill government would have bothered to send negotiators to a meeting, knowing what Hitler's attitude was sure to be.

Day by day, for weeks on end, the Italian and German press has announced that the attack on England was just about to begin. It may have done so before these lines are printed, but even if it has, the fact will remain that the assault was greatly overadvertised in advance by the assaulters. As they kept repeating their threats, the apprehension they at first caused became mingled with an element of grim amusement. They seem to have miscalculated the response of the British to psychological terror.

Wait and See Department

The week-end of July 21 was filled with rumors. There was a story that Hitler and the Japanese had agreed to attack Russia simultaneously from west and east, in the Ukraine and Siberia, as soon as the invasion of England had succeeded or failed. We shall see. There was another story, from sources just as credible, that Russia and Japan had come to an agreement to divide China between them and that this explained Great Britain's sudden policy of appeasing Japan. We shall see. A third story was that Great Britain isn't appeasing Japan at all. She will close the Burma Road, but she and Russia are in a conspiracy to continue aid to China, British supplies henceforth to come in from the northwest as the Russian materials do. We shall see. A fourth story was that Stalin is about to break with Hitler, fearing that the Germans are about to march eastward. It sounds like wishful thinking.

A fifth story, with more substance than the others, was that a fairly large German army is being assembled in Spain for the assault on Gibraltar and that Franco's forces will coöperate, perhaps without a declaration of war but more probably with one. Some of these rumors are incompatible with each other, and we don't know whether any of them are true. We do know, however, that in this time of the breaking of nations, almost any sort of international realignment is possible.

Burma Road

Britain has closed the Burma Road for three months and the chances are that she will not reopen it. China is said to have six months' supplies on hand so that the move is not immediately fatal. It is also rumored, as mentioned above, that England is double-crossing Japan and will help China to get supplies by way of Russia (although that involves such a long overland journey that the Russians themselves had been shipping munitions to Burma by sea). In any case, the principle remains the same, that the British have attempted to appease Japan, under the pressure of what they say is grim necessity. No outsider is in a position to judge how grim that necessity is; but many members of the British Parliament believe the Churchill government has made another bad mistake. They think Japan's word is as valueless as that of Hitler, that appeasement will only make her demands bigger and more urgent. If China is actually defeated, Japan will be better able to seize Siam, the Dutch East Indies and any other territory she wants. It is safe to say that if England withstands the German assault, her present promise to Japan will be repealed. Like everything else, what happens in the Far East depends finally on the outcome of the war in the West.

Obit for Estonia

How many people in Estonia, Latvia and Lithuania really wanted to join the USSR? We don't know and neither does anybody else, including those American Communists who profess to be certain that they were an overwhelming majority. Undoubtedly some inhabitants of the Baltic States wanted to join Russia and some didn't. The real point is that they had essentially no more choice than Holland and Belgium. They have been taken over chiefly for military reasons, because Stalin fears Hitler intends to attack him, and wants to improve his defensive position in the West. We live in a world where the wishes of little people are given no consideration as against the demands of military and political strategy. No European nation can be independent today, unless it can manufacture planes and tanks. *Realpolitik* demanded that the Baltic states should disappear as separate entities; they are gone.

South of the Border

Have Mexico and the United States come to an understanding? Several weeks ago we reported the rumor that they had. Recent letters from Mexico support this idea and give some of the reputed details. Our correspondents say that the United States has promised in general to admit that Mexico has the right to make her own laws and court decisions. If she wants to take away the property of foreigners, that is her business. This country also agrees that Mexico can't make payments outside her own boundaries unless she

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is not only permitted but aided to establish credits for this purpose—in other words, she must be helped to be prosperous both internally and in foreign trade, if American claimants are to get their money.

Mexico in return recognizes that she must make compensation for expropriated property, not only on paper but in fact. She agrees that friendly relations are important and will try to see that they are not worsened by irresponsibles or by propagandists for European powers. Mexico admits it is necessary that this hemisphere should be defended against Hitler, and that the United States intends to do so. She promises not to whimper if her toes get stepped on.

Some correspondents say that Almazán may come to the United States, swagger around in the spotlight and then go back to Mexico via Texas and set up a rump government in Monterrey. The American State Department certainly has enough sense not to encourage any such wild adventure. Have American oil, silver and cattlemen equal perspicacity? For them to unsettle friendly relations between the United States and Mexico in the present crisis by helping an Almazán revolution would just about amount to treason.

Mr. Flynn and the New Deal

We shall share with our readers a closely guarded secret—John T. Flynn, author of our department, "Other People's Money," doesn't like President Roosevelt. Those who have known this secret have suspected that his dislike sometimes warps his ordinarily good judgment about other men and measures. We ourselves wonder whether it doesn't have something to do with his broad hints this week that the sense of peril which the American people feel about Hitler is merely worked up for nefarious purposes, and that it makes no difference to this nation whether or not Britain is conquered. Probably his other strong passion—hatred and fear of war—also contributes to the attitude. At any rate we can't help thinking that if he did not feel so strongly about all this he would not be so defeatist about the possibility of preserving democratic gains under the pressure of war preparedness. John Flynn is not really like that about anything he believes in; we can assure anyone who doesn't know him that, war or no war, he will be found fighting to the last gasp for progressive causes as he understands them.

And while we are talking about our contributors, we ought to add that Mr. Jonathan Mitchell is rather severe with the New Dealers in his article in this issue about the Chicago convention. When he complains of their ineptitude, there is one thing he forgets. However bungling they may have been at Chicago, what they want is a continuance, extension and deepening of the New Deal itself. Their skillful opponents who so rarely make mistakes in public and offer a smooth and finished job would use their slick techniques to bring back and preserve the Old Deal.

Third Is a Horrid Term

We knew that if we waited long enough someone would say something sensible about the third-term issue. Fred Rodell of the Yale Law School has now done it in a little book of 129 pages, "Democracy and the Third Term" (New York: Howell, Soskin and Company, $1.50). Professor Rodell shows that the sacred anti-third-term tradition is not sacred or a tradition in the commonly used sense. The Founding Fathers had various attitudes on the matter, not one of which was pertinent to the question as it is now propounded. All through our history, Presidents have been silent on this issue as soon as, or as long as, they thought there was any sort of chance that they might get a third term themselves. The parties have similarly chopped and veered. The argument that twelve years in office might make a man a dictator doesn't hold water; if he were so inclined, he could become a dictator in eight years—or in eight days.

There is something, Mr. Rodell admits, in the theory that three terms enable a President to entrench himself behind the spoils system; but he points out that this criticism is just as valid against three terms for one party (like the Republicans, 1920-32) as it is against three terms for one man. He asks that the country should make up its mind about Mr. Roosevelt on a basis of genuine foreign and domestic issues, and not merely what Washington and Jefferson are supposed to have felt. If by a miracle 45,000,000 voters could be compelled to read and understand his book, the United States would be a pleasanter place these next few months.

The Pot Calls the Kettle

Some time ago we ran a cartoon on the fifth column inspired by Nast's celebrated cartoon of the Tweed ring. It showed a ring of suspicious-looking gentlemen, each pointing to the man beside him and saying *"That's* the guy who's the fifth column!" Reading the press in recent months, the temptation is strong to reprint the cartoon in red ink on our front cover. . . . A Western mayor called Jehovah's Witnesses the fifth column, or a good part of it. . . . Jehovah's Witnesses have announced repeatedly that the Catholic Church is the fifth column. . . . The Catholic magazine America says the radicals are the fifth column. . . . The Socialist Labor Party claims that it is not the fifth column, but that the Communists are. . . . The New Masses says that the men "with the inside lines to big business" are the fifth column. . . . Most of the men with inside lines to big business have said for the record that the New Deal is the fifth column. . . . New Dealer Robert Jackson included organized propaganda in the fifth column. . . . The Independent Labor League, a pretty good example of organized propaganda, announced that those trying to drive the unemployed into the

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armed forces are the fifth column. . . . And Senator Burke, who seems to want to drive anyone at all into the armed forces, has suggested that supporters of the third term are the fifth column. . . . Which brings the list around full-circle to the Western mayor, who is strong for the third term.

War No More

Newsreel companies were taken aback last month, when reports began coming from over the country that their clips on the war were being censored or deleted by individual exhibitors, because of public pressure. The rule has always been the most sensational news is the hottest, and the newsmen were following this at great labor and expense in Europe (in the drive to Boulogne, American-English newsreels lost an estimated $75,000 in equipment alone). But the people, particularly the shopping ladies, are busy writing letters, and it seems that for once horror can be too horrible. A theatre in Los Angeles is advertising "No War Pictures . . . Come and Relax."

On the New York literary front, agents tell us that word has gone out from such magazines as Collier's and The Saturday Evening Post (which all through June featured a story of large-scale modern battle): No more war stuff; we're not buying.

News Notes of a Week

Arab leaders throughout the British Empire took advantage of the war to renew their agitation for an independent federation of Arab states. They are keeping company with India and Ireland (not to mention French Quebec). . . . Virginio Gayda, Mussolini's editorial voice, told President Roosevelt that the New Deal was a "disordered, capricious and episodic" variant of the Italian corporate state. . . . The Hitler-Pétain government of France began a "moral cleansing" by demanding longer and looser bathing suits on the Riviera. . . . British M.P.'s, "no matter how old," were reported to be learning the manual of arms.

A tribe of Miami Indians wrote a joint letter to the Secretary of Indian Affairs, informing him that they were not fifth columnists, that they considered themselves the only true Americans, and that they were in sympathy with no foreign powers. . . . A softball game between two teams of Yale students, one wearing swastikas and calling itself the "Blitzkriegers," nearly precipitated a riot in Branford, Connecticut. The names of all the students were taken and turned over to the FBI. . . . Three New Yorkers were jailed in Memphis on suspicion of fifth-column activity. They had been photographing Negro housing conditions. . . . The McKeesport City Council passed an ordinance requiring the fingerprinting and Bertillon measuring of anyone distributing leaflets. . . . A Charleston law requires all shrimp-fishing boats to employ at least one native-born citizen.

Who Willed the Third Term?

THERE IS A THEORY, exploited principally by Republicans and conservative Democrats, but given expression also by some newspaper writers, like Raymond Clapper, hitherto favorable to the New Deal, that the "drafting" of Mr. Roosevelt for the third term was merely a disgusting political dodge. According to this theory, Mr. Roosevelt is really ambitious for power, has long desired to be President again, and exercised his control over the party machinery to obtain the nomination from a reluctant convention. His message to the delegates saying he did not desire the honor and releasing them to vote for whomever they pleased is condemned as a completely insincere piece of stage management.

That there was a good deal of inept finagling on the part of the New Dealers in charge of the draft movement was obvious at Chicago, and their antics are described at some length in Jonathan Mitchell's article on the convention in this issue. But the theory that Mr. Roosevelt really wanted to continue in office, had all along planned to do so, and simply lied to the convention, is controverted by all the known facts. These should be obvious not merely to those with access to inside information but to any observer who can put together the political history of the past eight years.

Those years have been characterized broadly by the effort to establish New Deal principles against the opposition and sabotage of conservatives. The opponents of course dominate the Republican Party, but if that were all, they would easily have been overcome because of the overwhelming defeat of the Republicans in 1936. Far more serious, they have corralled a large section of the Democratic politicians, who have in effect coalesced with the Republicans to thwart the administration's program. Mr. Roosevelt's departures from his main direction to appease or compromise have in many cases been attributable to the effort to keep a working majority in Congress for any purpose at all.

It was taken for granted by almost everyone four years ago that Mr. Roosevelt would be succeeded in 1940 by another New Dealer, at least as far as the nomination was concerned. Mr. Roosevelt himself desired not to run again, and so told many of his confidants. Rexford Tugwell, for one, has testified to this fact at some detail in The New Republic. There is no reason whatever to doubt it. Attention was devoted to the choice of a candidate to succeed him.

But the selection and building up of this candidate were of course a principal goal of strategy in the struggle between conservatives and progressives for control of the Democratic Party. The conservatives took pains to injure the chances of any New Dealer whose head seemed to stick above the crowd. Their campaigns of derogation against men like Wallace,

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Hopkins and Ickes loom large on the record. Robert Jackson was a promising man who needed political proving, but the effort to nominate him for Governor of New York in 1936 was promptly squelched by the Farley crowd. Most of those in the official family who might have been politically available, like Paul McNutt or even Jim Farley, were not big enough for the job and were distrusted by those who had the New Deal aims at heart. Secretary Hull was excellent as an old-line Democrat, but he took little interest in the new economic order and his age was a barrier. Mr. Hopkins, who enjoyed Mr. Roosevelt's favor, unfortunately was made unavailable by a serious illness. Mr. Justice Douglas was politically even less known than Mr. Jackson. On the other hand, the candidates boomed by the conservatives, like Mr. Garner, were totally unacceptable to progressive Democrats, in whose eyes almost any Republican would have been preferable. They were also unacceptable to the voters at large, to judge from the results of such primaries as they entered.

The inability to find a good candidate resulted in strong pressure on Mr. Roosevelt himself to disregard his inclinations and run again. The war and the President's own keen sense of the critical nature of foreign affairs reinforced this pressure. But he still remained undecided and so did not announce his intentions. It was uncertain how the foreign situation would develop. Furthermore, the lack of any other outstanding candidate made it essential, from the New Deal point of view, that he retain as much power as possible to throw support behind the man of his choice if he should not run. This he could not do if he eliminated himself early in the campaign.

By the time the convention in Chicago was convened, Mr. Roosevelt was the overwhelming choice of the rank and file of the party—according to a recent Gallup poll, 92 percent of the Democratic voters wanted him to run. There was nothing specious about the popular desire to draft him. And though by this time he had undoubtedly been persuaded that he ought to accept the nomination, it was still true that on personal grounds he did not want it. His message to the convention expressed his genuine wishes. The underlying fact is that his nomination was brought about in spite of his preference, partly by the acts of his opposition and partly by the development of circumstances. The phony stage-management at the convention, intended to dramatize this fact, merely had the unfortunate effect of throwing doubt upon it.

The New Dealers did, however, succeed in establishing a firmer grip on the party machinery than they had held before. The significance of this fact will appear more clearly as time goes on. They ousted Mr. Garner—long a bulwark of their enemies in Congress. They got rid of Mr. Farley, who in spite of his political skill and the many tears shed by the President's enemies over the ingratitude shown him, was completely impervious to the progressive philosophy and helped perpetuate the power of the opposition in the party. The platform, though isolationist pressure made its foreign plank as ambiguous as that of the Republicans, was a full and eloquent restatement of the New Deal domestic program, with little trimming of sails to any hostile breeze.

Democratic defections to Mr. Willkie serve to emphasize the fundamental meaning of the third-term candidacy. On the surface, they are protests against this break with tradition. But, with very few exceptions, the deserters have long been enemies of the New Deal. Some of the protestors, like Mr. Lewis Douglas, opposed the President in 1936. Others, like Senator Burke and Senator ("Cotton Ed") Smith, have been his vehement enemies in Congress. Mr. Willkie's unqualified acceptance of their support indicates as clearly as his publicity campaign obscures what is at stake in this election. Far more certainly than in any previous campaign for half a century, with the single exception of 1936, it is a contest for power between the progressive and the conservative forces in American life. If anybody willed the third term, it was the conservatives who did so, by making doubtful the nomination or election of any representative of the people's will other than Mr. Roosevelt.

Guns Plus Butter

A STRIKING UNANIMITY emerges from the contributions to the special supplement on the way to pay for defense that accompanies this issue of The New Republic. And it is unanimity on a set of conclusions directly contrary to the popular impression. There is general belief that we cannot undertake a great program of preparation for defense without a reduction in the standard of life and a worsening of the hours and conditions of labor. People are either tightening their belts for economic sacrifice or are opposing the program because they suppose it involves great and unnecessary hardship. Writers as varied in background and outlook, however, as Professor Groves of the University of Wisconsin, John Maynard Keynes and Stuart Chase all point out, without the benefit of previous consultation and without prompting by the editors, that the United States now has a productive capacity so much greater than it has utilized for many years that it can turn out a huge quantity of armament and at the same time not only maintain but improve the material condition of the population.

Indeed, the situation presents a great opportunity to accomplish an economic strengthening of our order that we have so far failed to achieve under the New Deal. This does not mean that the arms program alone can eliminate unemployment or remove the disorgani-

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zation of our productive forces. Nor does it mean that the diversion of effort to military purposes is not a waste of resources from the point of view of an unfortunately nonexistent peaceable world order. If we had taken the proper economic measures before the necessity of arming arose, we could have been still better off than we can be in the immediate future. Creation of great armies and navies does involve a sacrifice of *potential* welfare. But the sacrifice is not necessarily an actual one, in the sense of descent from a level of welfare which already is far below the potential maximum. If we choose the right policies now, under the stimulus of the emergency, the increased production of military equipment may be accompanied by an increased production and consumption of civilian goods. But only if the proper measures are taken.

What are these measures? First of all, enormous spending by the government—spending on a far higher level than was permitted by those who would not sanction it for non-military purposes. Everybody now acquiesces in this. But everybody does not acquiesce in the further requirement that, in addition to the amounts spent for direct military purposes, we must go on spending at least as large amounts as we have been devoting to unemployment relief, social services, conservation, housing and the rest. Only in that way can the military spending create a net addition to economic activity. Let the opponents of the New Deal have their way, and preparedness will involve sacrifice indeed.

How is the spending to be financed? Here an apparent divergence arises among our contributors, but a closer look will reveal that the divergence is not real. Mr. Keynes emphasizes an increase of governmental borrowing. A tremendous but incalculable sum of loan expenditure will be required, he believes, before we reach the maximum employment of labor and equipment. Mr. Groves also thinks that much borrowing will be necessary. Both Mr. Chase and Mr. Groves agree that the national debt could be heavily increased without becoming an intolerable burden. And both agree that the danger of credit inflation as a result is negligible until our resources of manpower and plant become fully employed. Mr. Groves points out by implication, however, and Mr. Chase explicitly holds, that the same full employment can be achieved in part at least by heavier taxation of a sort that will divert idle savings into government purchasing. A boost in income-tax rates in the middle brackets where savings now are possible, and the imposition of excess-profits taxes, will help to channel savings to production.

All hold that heavier taxes of a sort that would limit consumption should be avoided until the nation's plant reaches maximum output. And all conclude that when and if that point is reached, taxation is infinitely preferable to borrowing and inflation. Taxation should then tap not only income which otherwise would be saved but some income which would be spent, because a curb on consumption will be inevitable. But that point is a long way off. Mr. Keynes adds a recommendation for his ingenious plan by which the diminishment of consumption on the part of those with low incomes would be compensated by an increased claim held by them on the national income after the war.

Mr. Cooke emphasizes the positive as well as the negative reasons for maintaining labor standards. Not only is it not necessary to break them down in order to achieve the requisite output, but breaking them down would actually diminish efficiency. In general, he points out that with the correct methods, the cost of national defense can be greatly reduced, and so the potential sacrifice can be decreased. This is true, not merely in terms of money, but also in the more genuine terms of materials, time and effort. Like the others, Mr. Cooke emphasizes the social gains that may be made, not from the armament itself, but from the measures that can accompany it and from what we may learn from it.

Even on the political side, as Mr. Soule points out, there is opportunity as well as loss. Universal military service may be demanded, but it can be democratically controlled. Bringing private industry into order for service to the nation is essential not only for munitions making, but for the positive social gains that should accompany it. And in doing all this we need not sacrifice civil liberties or republican government.

The sacrifice that is demanded is not, fortunately, one that need impoverish the nation. Yet, to many, it is a much harder thing to accept. It is the sacrifice of traditions and prejudices that do not fit, of individualistic power and prerogatives that stand in the way of a really efficient national community. To choose the right way to prepare is of immense importance. If we do choose it, we shall strengthen our democracy whether we have to go to war or not. If we do not choose it, we shall not be ready even for war.

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Chicago: Family Stuff

SWEATING UNDER THE Stadium's movie floodlights, you were forced to wonder what radio listeners were thinking. What sense did they make of the bubbling words, the silences and whoops, coming from their instruments? Great events are happening in Europe, Asia and this country, and—except for a moment during Senator Wagner's reading of the platform—nothing in the Democratic convention had more than a faint relation to the outside world.

On the surface, what wholly absorbed the close-packed, fan-waving delegates was whether Mr. Roosevelt had been fair to Mr. Farley. But, in my opinion, Mr. Farley's troubles do not account for the strange, uneasy air that hung over the proceedings. Politics is a cruel trade; the delegates knew that Mr. Farley was figuratively dead. They were searching for a new leadership, and the only honest report is that they found the New Dealers fearful, panicky and weak.

This is a harsh judgment. Of my own knowledge, I know that the New Dealers, in ordinary circumstances, do not deserve these adjectives. Why did they behave as they did? The quality of their behavior can only be made clear by setting down the monumentally trivial details of the convention week.

The official New Deal leadership was Secretary Hopkins, Senator Byrnes and Mr. Frank Walker. Their chief lieutenants were Mayors Kelly of Chicago and Hague of Jersey City. One of the notable memories of the convention, incidentally, is of Secretary Wallace and Mr. Hague trying to find bonds of mutual interest at an evening fiesta—a memory closely rivaled by that of Under-Secretary Welles primly marching in a convention-floor parade.

The mission of the New Deal leadership was not what you might have expected—to see that the great majority of delegates who wanted Mr. Roosevelt for a third term were enabled to express their will. The New Dealers' original concern was not with the delegates at all, but with what went out over the country by radio. Their frank purpose was to make the radio prove that Mr. Roosevelt was reluctantly drafted.

In pursuit of this aim, a program of three gnat-sized objectives was evolved. First, it was determined that there should be no organized Roosevelt enthusiasm, no buttons, posters, banners, bands—nothing that would entitle a hostile press to say Mr. Roosevelt was seeking the nomination. Second, Mr. Roosevelt's name was not to go formally before the convention. According to the New Dealers' somewhat esoteric reasoning, if Mr. Roosevelt were nominated, he would technically become an "active" candidate. Third, in the actual balloting, the states, one after another, were spontaneously to throw their votes to Mr. Roosevelt.

The New Dealers found their final objective—the nomination of Mr. Roosevelt by exultant acclamation—blocked by Mr. Farley's vast, gabardine-suited form. This is no place to inquire into the five-year feud between Mr. Farley and certain members of the White House circle. The New Dealers' public goals have been magnificent; their private dealings occasionally lamentable. At Chicago, the quite irrelevant fact that Mr. Farley's two young daughters were on hand to see their father nominated for the presidency was persistently ignored by the New Dealers. His daughters' presence won Mr. Farley inordinate sympathy.

This, briefly, was the situation on the Sunday before the convention opened. Two things then happened that greatly complicated the New Dealers' future course. Minor New Dealers—it is unpleasant to record this fact—circulated quite scurrilous, inexcusable stories about Mr. Farley, and did so not in distant taverns and bars, but just outside Mr. Hopkins' hotel rooms.

Simultaneously, the New Dealers worked themselves into a panic about the convention tickets. Strange things happen to tickets at conventions; at Philadelphia this year Willkie lieutenants distributed hundreds of questionable admittances to Willkie rooters. The New Dealers convinced themselves that Mr. Farley meant to pack the Stadium with followers on Thursday night—then set for the nominations—who would boo into the radio when Mr. Roosevelt was named.

At the evening session on the next day, Monday, Mr. Farley and the temporary chairman, Mr. W. B. Bankhead, both spoke. Mr. Bankhead's speech had been ruthlessly trimmed by the New Dealers to prevent a premature Roosevelt demonstration. Mr. Farley did not speak Mr. Roosevelt's name; Mr. Bankhead just once. The first of the New Dealers' intentions had been fulfilled, and their success, incredibly enough, drove them into a paroxysm of fear. The Democratic Party was supposed to be afire for a third term, and not a cheer had been raised for Mr. Roosevelt. At the Tuesday-evening session, therefore, Senator Barkley was to read a statement denying that Mr. Roosevelt had connived at his own renomination. It was to be greeted by a demonstration that would rock the Stadium. While the crowd cheered madly, Mr. Roosevelt would be named by acclamation.

This was shifting the nomination ahead by forty-eight hours, from Thursday to Tuesday. In my opinion, this attempted shift was a primary mistake. As news of the changed schedule spread through convention hotels, delegates shied and snorted like mustangs. They knew Jim Farley was supposed to be out, but did these other fellows know their trade? The impression of uncertainty and feebleness on the New Dealers'

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part was increased when late Tuesday afternoon—after a few low-pitched growls from Mr. Farley—they abandoned their plan for immediate nomination, setting the nomination period for Wednesday night.

Tuesday night's demonstration—the demonstration that was to captivate the nation's radio listeners—was assigned to New Dealer Kelly. Because of altogether ridiculous fears of what Mr. Farley would do with the tickets, the Stadium gates were manned by Kelly henchmen. Honest Roosevelt ticket-holders were turned away, while the boys from the South Side wards, bearing mysterious white slips, came in in platoons.

Senator Barkley roared through his keynote speech, read his statement that the President had not wished a third term. The news that Mr. Roosevelt did not wish to run seemed nothing to cheer about to what might be called the legitimate crowd, and it did not cheer. Neither did Mr. Kelly's bravos. Flushed with humiliation, Mr. Kelly could be seen racing about the arena's rim. To frustrate possible monkey-business by Mr. Farley's friends on the speakers' platform, he had had a microphone outlet arranged in the basement. After minutes, the Kelly demonstration leader reached it, and in a banshee wail there burst on the Stadium: "Mayor Kelly wants Roosevelt, humanity wants Roosevelt." It was just bad luck that the Republican press later was able to identify The Voice as the local commissioner of sewers.

Meantime, the old master, Mayor Hague, nettled by his fellow New Dealers' ineptitude, had sent amateur boxer Jimmy Cromwell, late envoy to Canada, to the platform to have a floor mike turned on. While Mr. Kelly's sewer commissioner was scrambling upstairs for further orders, Mr. Hague's young Mr. Hart took over with: "Mayor Hague wants Roosevelt." Mr. Chip Robert, National Committee secretary and PWA contractor, attempted to lead the crowd in "We want Roosevelt." This was the first chance that the galleries had had to participate. Had Mr. Robert not set the beat too fast, they would have genuinely and fervently split the Stadium roof. As it was, they couldn't get out "Roosevelt," and Mr. Robert, baffled, gave up. It was one of those performances that make your skin twitch with embarrassment—like a first-year piano student's recital. The Kelly guerillas had so jammed the floor aisles that the delegates were imprisoned. By count, the supposed Roosevelt parade had 296 participants.

By the time the Wednesday-night session arrived, the New Dealers' original objectives had vanished. They had started out wishing to arrange a convincing radio show; now they merely wanted to get Mr. Roosevelt named and the convention adjourned. The stratagem of not having him formally placed in nomination was incontinently abandoned. Through wholly unnecessary terror of Mr. Farley, the nominating job was handed over to Alabama, first on the roll, instead of Mr. Roosevelt's home state of New York. During Senator Hill's emotional speech, the overloaded mike blew up with a loud squeal, completing the atmosphere of *sauve-qui-peut.*

Eighty-two-year-old Senator Glass, presenting Mr. Farley, brought perhaps the only moment of substance —of clear-cut shape—in the session. Mr. Glass is an extreme reactionary, but his partisanship became unimportant. ". . . Three years before Jefferson died . . ." and, croaking his antique curses, Mr. Glass became the living past. The crowd, sensing something real to deal with, rejected the past with a rolling, delighted boo.

Some minutes later it seemed to penetrate the skulls of the Kelly workers that an offense had been allegedly done to the Roman Catholic religion in Mr. Farley's rejection. From then on, they stamped, clapped, whistled and otherwise delivered the bird with charming impartiality. Toward the end of the balloting, a group of women delegates from the state of Washington called through the mike that they were voting for Mr. Roosevelt because of the New Deal's power policy at Bonneville and Grand Coulee. To encounter comprehension of the New Deal within the murk of noise was startling.

After the convention's first three days, the shambles of the final session followed naturally. For a man of his shyness and sensitivity, Mr. Wallace was subjected to an ordeal of intolerable cruelty. It is worth making clear that the fluctuating storm of boos that clung about his name were not meant for him as a person. The great majority of delegates and crowd did not know him, had no opinion of him. They were expressing their wrath at the way the New Dealers had managed the show. It was commonly said that night they were angry because they were not being permitted to pick a Vice President themselves. But that, I think, is a half-truth. They would have followed firm leadership, albeit with grumbling. The crowd that last night was filled with a kind of fierce self-anger at its own leaderlessness and helplessness.

Suppose there had been no third-term maneuvers, no backstairs deals, no sly capturing of delegations. Suppose Messrs. Farley, Garner and McNutt had been permitted to pledge what delegates they could, and had gone to Chicago with blocs of perhaps two hundred votes apiece, while Mr. Roosevelt had devoted himself to the duties of his office. What would the convention have done? The men and women who composed it were not very different from you and me. Their judgment of Messrs. Farley, Garner and McNutt is much like yours and mine. They would have drafted, without quotation marks, Mr. Roosevelt; nothing could have stopped them, and they would have acted with abounding good will. The New Dealers—and Mr. Roosevelt chief among them—chose to perform an unnecessary exploit. We may hope that long before November the harm will have been repaired.

Chicago JONATHAN MITCHELL

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Mexico Elects a President

EARLY on election-day morning, July 7, in Mexico City, the gray Red Cross ambulances and the yellow Green Cross ambulances were scorching and screeching through the streets; the Blue Cross nurses were on duty in squads of three or four near each polling place; troops and police, numbering in all more than ten thousand, could be seen parked on side streets or in the courtyards of houses taken over for temporary barracks. No taxis or buses were running—they were all out working for the Party. Some were hurrying groups of party members from district headquarters out to polling places to "organize the election." Buses were bringing detachments of men from the nearby villages—"to vote again," as some said. The stage was perfectly set for another bloody Mexican election.

But, if I am any judge of such matters, the government leaders and the leaders of the PRM, the pro-government party, wanted a free and orderly election. They did everything they could to guarantee it—for the selfish reason that they could not hope to consolidate the revolution and gain international respect until they could kill the legend that every Mexican election is decided by fraud and gunwork, and the legitimacy of every government therefore open to doubt. The strategy of the Almazán opposition was to keep that legend alive.

I had gathered from American newspapers that Mexico is a totalitarian state, that the press is government-controlled, that the army is a political instrument of the government, and of course that the government controls the counting of the ballots and automatically counts in its own candidates. The first three allegations simply aren't so. There are a score or more of officially recognized political parties in Mexico, and any group can form a party by conforming to the rules. The press of Mexico City, except for the official organ, El Nacional, and the trade-union paper, El Popular, was almost unanimously anti-government. And the army and police, on election day, preserved the most perfect discipline, shooting pro-government Avilacamachistas and opposition Almazanistas impartially when they were caught at gunwork, and permitting the opposition crowds to gather at will, so long as they did not form organized mobs.

As for the charge that the government uses the party machinery to count out its opponents, one can only point out that this was the major argument of the opposition, and so long as this belief exists, political Mexico will be in a chronic state of latent revolution or counter-revolution.

The question whether this was a reasonably honest election is of first-rate importance just now, not only because there is a Franco counter-revolution conceivably in the offing as a result of it, but because internally and externally this is a period of crisis for Mexico. Obviously, at a time when hemisphere defense and a hemisphere trade cartel are demanded as democracy's bulwark against totalitarianism, it is a matter of vital importance whether a stable democracy can exist south of the Rio Grande.

The Almazán propaganda before the election concentrated on creating the belief that it can't. "The people are overwhelmingly with us, but we shall be counted out"—"The Avilacamachistas have collected the weapons with which to shoot down our partisans"—"Be on the alert, gather early, wearing your green insignia, and stay around the polling places and on the streets." (All published, mind you, in the "government-controlled" press.) Direct incitement to mob violence if ever I saw any! The pro-government trade unions, on the other hand, ordered their members to vote early and then go home and stay there.

All during election day I walked about the city. Everywhere I saw Almazán crowds and mobs. Never did I see a pro-government crowd. The impression which the casual onlooker would gather was that Mexico City was overwhelmingly pro-Almazán.

But these Almazán crowds were organized. They had their officers at strategic places, and when a mob was facing the police or the soldiery these leaders maneuvered their followers like a well trained army. The grand strategy, I am told, was directed from a central office under auspices not exclusively Mexican. One appealing detail of the Almazán tactics was the placing of little boys and girls in the front ranks of their mobs when approaching a military barrier. Several of these children were killed or wounded. If the pro-government unions had permitted their people to stay on the streets the result would have been a mass slaughter. Hence the demonstrations observed were "overwhelmingly pro-Almazán."

The conduct of the police and federal troops was beyond all praise. I have seen troops handling mobs in Europe, but I have never seen such calmness, method and smooth technique, such suave refusal to be provoked, as were shown by the Mexican soldiery on election day. Except at those caught with guns in their hands, the troops never fired one direct shot. They used persuasion, warning shots in the air and on the ground, the butts of their revolvers or rifles, and (in at least one case) tear gas, and with these they repeatedly broke up mobs numbering thousands.

Let me repeat, there was no fighting between pro-government and anti-government partisans. There was only organized provocation on the part of the Almazanistas, and such trouble as resulted from it. This much seems to me certain—if violence had not been deliberately and with premeditation organized by the Almazán opposition, this election day would have been as peaceful as an ordinary election in any large city in the United States. HIRAM MOTHERWELL

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Washington Notes

Three Months to Election

NOW THAT the Democratic convention is over, there is a chance to heal the angry estrangement between Mr. John L. Lewis and the pro-Roosevelt leaders of the CIO. At Chicago, Mr. Philip Murray, Mr. Lewis' closest associate in the miners' union, committed the CIO to Mr. Roosevelt's support. The issue is thus settled beyond reopening. Mr. Lewis can claim something of a victory in the foreign-affairs and economic planks of the Democratic platform, which show at least traces of his influence. The campaign looks much more difficult, from Mr. Roosevelt's standpoint, than it did a few weeks ago. Just as Mr. Lewis ought to feel he can support Mr. Roosevelt without loss of prestige, so the New Dealers have every incentive for placing a fatted calf upon the spit.

The nomination of Secretary Wallace for Vice President is a mystery, notwithstanding his undoubtedly great gifts as a person. It may be definitely said that the first choice of the New Deal group was Mr. Justice Douglas, with Mr. Wallace as a doubtful second. On the Sunday before the convention opened, according to reports reaching Washington, New Deal workers had unearthed enough sentiment favorable to Mr. Douglas to assure his nomination on the first ballot. They sought word from Mr. Roosevelt to translate their tentative pledges into actual votes, but the word never came.

Mr. Wallace seems to have been chosen partly as a gesture of appeasement toward Democratic reactionaries who might balk at the author of the Madison, Wisconsin, oil decision, partly as a check to the supposed popularity among farmers of the Republican vice-presidential candidate, Senator McNary. Unhappily, the same Democrats who mistrust Mr. Douglas mistrust Mr. Wallace twice as deeply for his abjured Republicanism. Polls taken in Mr. Wallace's home state of Iowa show that Mr. Roosevelt is approximately twice as popular as Mr. Wallace among farmers. Mr. Wallace will lend little strength to the ticket in the West; despite the immensely popular food-stamp plan, he may handicap it in the East.

One of the stories from Chicago concerns the meeting of Mayors Hague and Maverick. Mr. Maverick introduced himself, recalling that he was the person that Mr. Hague had threatened to run out of Jersey City for speaking in support of the CIO. But, Mr. Maverick suavely continued, he was a mayor now himself, and appreciated a mayor's problems. Unabashed, Mr. Hague ponderously extended the hand of fellowship, and for some time solemnly instructed Mr. Maverick in the nicer points of machine bossism.

The administration's recently announced amortization policy represents the first definite step in the rearmament program. The formula approved, under which all new plant built for armament purposes may be written off for tax purposes within five years, closely follows that suggested by business representatives. However, it also has the blessing of one of the ablest New Dealers, SEC Commissioner Leon Henderson.

To the degree that the amortization policy has general significance, it appears to indicate that the New Dealers do not mean to make use of special devices to prevent munitions profiteering. As the policy is understood here, the administration will be unconcerned if a corporation makes unusual profits by means of the amortization privilege. Whatever the profits turn out to be, they are to be caught by the general corporation income tax and surtaxes. The corporation tax is to be the sole important bar to profiteering, and it is hoped to make it a sufficient one.

The advantage from this procedure is expected to be legal certainty. Corporation income taxes have been the subject of innumerable law suits; the Treasury's methods of computing and collecting them are bolstered by an array of court decisions. In the war of 1917-18, the government's inability to enforce hastily framed regulations permitted munitions makers, particularly after the Harding regime was installed, to escape with huge gains. This mistake the New Dealers mean to avoid—even at the cost of letting business obtain superficial victories, as in the present amortization policy.

Although the amortization policy is a first step, it is a very small one. It merely permits the administration to start negotiating arms contracts. The navy has contracts for perhaps $400,000,000 worth of new ships—all that existing facilities can accommodate—in an advanced stage. But negotiation of War Department contracts may take two months more. Only then can actual work be considered.

The overriding objective of the New Deal, as far as it can be detected in this early phase, seems to center around stability of prices, and even their eventual reduction. Price stability is the special function of Mr. Henderson, and his forceful personality has stamped the whole preparedness program. The stability of prices, it is believed, will necessarily assure the smooth extension of facilities, a smooth increase in the use of raw materials and productivity, the smooth functioning of labor relations. It is the negation of speculative excesses, waste of resources and wild profits. Where armament contracts bring about full operation of plant and a resultant lowering of unit costs, a parallel lowering of prices will be demanded.

In the period immediately ahead, Mr. Donald Nelson, on loan to the administration from Sears, Roebuck, will be immensely important. Mr. Nelson is in charge of all government purchasing. The armament contracts will be his direct responsibility. Very few of them will be let by competitive bidding; wherever they are negotiated, he will have the chief voice in the negotiations. In his job with Sears, Roebuck, he was noted for his ability to bargain to the last fraction of a cent.

Advertisement: because, in the prophecy business, this department often shows lamentable fallibility, it begs leave to recall that, in August, 1939, it predicted without qualification that Mr. Roosevelt would be a candidate for a third term. It said then that Mr. Roosevelt would be obliged to prevent a Republican victory, and the consequent appearance of a popular repudiation of his first two terms.

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And it added that Mr. Roosevelt's qualities of personality would forbid him to encourage any of his New Deal lieutenants to attain national stature, and that he would find himself forced to run in his own behalf.

Washington T. R. B.

Other People's Money

The Price of Hysteria Is Reaction

VERY QUICKLY the great problems of national defense are becoming clearer. It is getting to be fairly obvious that the most serious obstacles to our national security from Hitler are the Securities and Exchange Commission, the anti-trust laws, the minimum-wage laws, the NLRB, the Federal Trade Commission and various other foreign institutions organized to weaken us on the battlefield.

All the economists and statisticians and lawyers of the brokers, investment trusts, banks and investment bankers have gone into action to clear away these paralyzing institutions which, if something is not done, will bring Hitler over here in jig-time, using his crawl stroke for speed.

One of the men who trembles most for the safety of our country is Dr. Benjamin M. Anderson. The doctor was the economist of the Chase National in the good old days of Albert Wiggin. He is no longer at the Chase. Instead he is teaching in California and acting as adviser to the Capital Research Company. He was at the Philadelphia convention as an onlooker. And he had a plan there to save the country. He suggested that the Republican convention nominate Taft and Willkie or Willkie and Taft or Taft and Dewey or almost any combination and then adjourn without adopting a platform or organizing. The convention should then name a group of plenipotentiaries to the Democratic convention with power to treat for an amalgamation of the parties for the duration of the crisis with Roosevelt for President and either of the Republican nominees for Vice President. The plan, so far as I know, got no further than Dr. Anderson's easy chair in a hotel lobby. But now he feels that the SEC should be dealt with. He doesn't like it—doesn't like it at all. One can ramble through the columns of the financial journals and find that if we are to have a great armada of planes, we will have to do something about the SEC; that if we want battleships, we will have to scrap the Sherman law; that if we are to provide power for producing defense weapons, we must do something about the utility holding-company law.

As a matter of fact, these notions have had hospitable reception in high quarters in the administration. Two gentlemen, one, at least, standing very near the top, have already drawn up bills to put the old anti-trust laws away in camphor. One of them is a lawyer who turned up as counsel for the NRA in the flush days of that adventure. He had a thin down on his upper lip then—fresh out of college. When the NRA folded up he packed his bag and went to New York and presently he was back in Washington darkening the doorways of his former colleagues around various government bureaus, peddling the dope of various large private corporations and trade groups. He is in Washington again, this time as adviser or deputy third-assistant goat-choker or something for the Defense Advisory Commission and—bless your heart—he has drawn up his contribution to defense: the virtual burial of the Sherman law.

The other contributor of a bill to scrap the anti-trust laws—to save democracy—is one of the administration's busiest stooges in the TNEC.

The simple truth about all this is that it is logical, inevitable. We cannot eat our cake and have it. We cannot stir up a fraudulent hysteria, a fake war scare for the purpose of aiding Britain, tell the people every ten minutes on the radio of the coming Nazi hordes, of the "penetration" of South America, or the threats to our democracy, of our defenseless condition—we, who are next on the Nazi list—without stirring up also all the elements which are opposed to the measures adopted for the protection of investors, labor, savers, the public generally.

The price of hysteria is reaction. We might as well be realistic about our present situation. It does not pay to put a pinch of truth into the tool-kit of your enemy. When war comes, or a desperate crisis—imminent danger of attack, so critical that it is considered wise to seize young men and put them into military and industrial camps, take them from their schools, their careers, their jobs (jobs at which many earn $25, $50, $100 a week, to go to jobs at which they will earn $5 or perhaps $20 a month)—then there is not much chance of labor's putting over on the public the contention that it must be permitted to earn high wages and work short hours, enjoying the blessings of peace while the enemy is getting ready to devour us and others are being compelled to sacrifice so much. If we have war—if we are really threatened—then national defense will require that every man sacrifice—sacrifice wages, hours of work, all sorts of social gains. When a real crisis comes it will be time enough to make these sacrifices, gained at the cost of so much suffering. But it seems a dreadful thing to make them in the interest of a fictitious crisis worked up by a lot of interested groups for theirs. The important thing now is to measure the full cost of this "crisis" before we surrender to the necessity of paying that costly price.

It is a fact easily capable of demonstration that this country never recovered from the relaxation of the regulatory laws which were forced on us in the last war. The first administration of Woodrow Wilson had produced a whole series of laws designed to curb the abuses of big business. These were almost all scrapped during the War and, when the War was over, they remained scrapped for all practical purposes for ten years with the most disastrous results. Maybe it is not too late now to curb this drift. The trouble is that the enemies of the President are now competing with him in stirring up the animals. JOHN T. FLYNN

The New Year: 1940

I walk on the cold mountain above the city,
Through the black eucalyptus plantation.
Only a few of the million lights
Penetrate the leaves and the dripping fog.
I remember the wintry stars
In the bare branches of the maples,
In the branches of the chestnuts that are gone.

KENNETH REXROTH

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On the Records

TOSCANINI's new recording of Beethoven's Fourth Symphony with the BBC Orchestra (Victor M-667, 8 sides; $8) is probably even better, all things considered, than his recent version of the Fifth. A more resonant recording chamber is partly responsible, but not wholly. The Fourth is easier to perform than the Fifth Symphony and does not call for the explosive fury of passages in the latter work. In it Toscanini manages to bring out the power of Beethoven's forward drive while still maintaining refinement in color and detail. His genius seems to be in doing both equally well, and when the effects of the more obvious parts have worn down somewhat you can note his touch in many small details—an ascending passage imperceptibly shifted from clarinet to flute, a bassoon dashing off down the scale with the tail of an incredibly fast run, but with every note clearly in place and perfectly timed—never intruding upon the main thought or attracting undue attention. B-flat major is not an easy key to make an orchestra "sound" in; the strings are dullish, horns and trumpets are pitched low and tympani are generally too hard or too loose. But color there is in this recording, and style as well. I may be wrong, but I suspect it probably comes as near to what Beethoven heard in his mind when he first put down the notes as you have any right to hope.

With summer, the record companies have begun to issue a number of new releases of old favorites. Outstanding among these is Rodzinski's version of Tschaikovsky's Fifth Symphony with the Cleveland Orchestra (Columbia M-406, 10 sides; $10). To eliminate the usual eleventh and twelfth sides, the conductor has done some cutting, and speeded up the first movement until it develops into a race between the orchestra and the recording needle, with a photo-finish. Occasional bad intonation in the bassoons and trumpets, a reedy first clarinet and loud first oboe do not add to enjoyment generally, but on the credit side you have a solid string section, a beautiful horn solo in the Andante, and a brilliant recording of unusual clarity. Add to this a sensible tendency to shy away from sentimental overstatement and you have a version as good as, and probably better than, any other now obtainable.

There is a sort of a glittering super-brilliance about Ravel's Daphnis and Chloe Suite No. 2 as played by Ormandy and the Philadelphia Orchestra, but recording and performance are nearly flawless. On Columbia you can hear a revival of the same composer's Introduction and Allegro with Laura Newell, harpist, the Stuyvesant String Quartet, and two woodwinds (X-167, 3 sides; $3.50). The ring of harp strings after they have been plucked, and the veiled, delicate harmonics on the middle strings come through very much better than in the other two versions still in circulation. Written in Ravel's "sweet" style, it is played in the same way, and whether you like it will depend on whether you like the music to begin with. The odd side is occupied by a harp arrangement of Debussy's Girl with the Flaxen Hair.

There is something just a little bit precious about Prokofieff's Classical Symphony, but there is no denying that the manner in which it is played for Columbia by Mitropoulos and the Minneapolis Symphony (X-166, 3 sides; $4.50) is a marked improvement over the same orchestra's recording of Beethoven's Sixth. The brass has been curbed, and woodwinds brought into line, and a general feeling of relaxation has been somehow achieved. When the strings swing brightly into the Scherzo from Mendelssohn's Octet (Opus 20), which rounds out the album, the improvement is even more marked. Four Novelty Waltzes of Johann Strauss (Loves of the Poet, New Vienna, Lagoon and Cagliostro) are played with more snap and brilliance than grace by Fiedler and the Boston Pops Orchestra (Victor M-665, 4 10-inch records; $4.50). They are not the waltz king at his best, but they could sound better.

Very little is heard or remembered of Bill Billings any more. He was the first full-time composer in the United States, and once the pride of musical Boston. Born twenty-four years before Beethoven, he worked as a tanner for a while but turned to music because he loved it and because he wasn't physically qualified for much else. His two legs were never intended to swing from the same frame, he couldn't see out of one eye, one arm was no good, and people shuddered at the sound of his buzz-saw voice. But Billings produced the "New England Psalm Singer," and what was more could write what he called "fuguing pieces" just like them fellers over across. Boston (with a cold smile for its cultural rival, Charleston, where they hired foreigners), thought Billings a genius; so did Governor Sam Adams and some people so far off as Philadelphia.

Billings combined his three loves—music, God and country—in an extraordinary way. At times he would take liberties with the Holy Writ and shuffle the words to fit the music, but it was usually in a good cause, as in his version of the 137th Psalm which followed the Battle of Bunker Hill; "By the rivers of Watertown we sat down," he wrote with deep feeling, "and yea we wept as we remembered Boston." His most famous piece was an anthem called Chester, which has just been recorded by strings of the Boston Pops Orchestra under Fiedler (Victor 4502, one side; $1). It was the favorite song of the Revolution ahead of Yankee Doodle, and was later taken up with a will by the Abolitionists. "Let tyrants shake their iron rod, and Slavery clank her galling chains," it solemnly advised, but there was no need for breaking ranks: "New England's God forever reigns." It is ordinary music and had to be doctored up somewhat by an arranger, but pleasing in a somber way; and this marks the first time in many years that anyone has done honor to the memory of its composer.

On the other side of the Chester record an arrangement of the Arkansas Traveler is played with somewhat forced gusto by the same combination bolstered by a lot of brass and drums. I don't think the backwoods fiddlers would approve. Probably more effective, within limits, is Charles Vardell Jr.'s adaptation of Joe Clark Steps Out, a Carolina mountain tune played here by Hanson and the Eastman Rochester Orchestra (Victor, one 10-inch record; $1). But the Scherzo from William Grant Still's Afro-American Symphony, which fills out this record, is far too loud with brass and clash cymbals, too awkward and clumping in rhythm, to be worth the trouble. There may have been a time when forced gayety, heavy scoring and accents on the off-beat seemed to spell Afro-American, or both, but we are happily a long way from that now. STANLEY FERGUSON

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A Communication

Do We Need to Go to War?

SIR: A prescription for inducing madness would be to advise the patient to attend all the speeches and articles giving advice to the American people on what to do to be saved. It is not with the idea that I can supply the one true revelation that I wish to add my bit to the hortatory literature now flying around. I should like to direct attention to what I believe are fundamental considerations too frequently overlooked.

1. It is wrong to suppose that war or the imminence of war destroys the conflicting interests which play so important a role in the political, economic and intellectual life of all nations in peacetime. It is plain as a pikestaff that most of the appeals for unity in this country today are really pleas for unity behind the pet ideas of the speakers and writers. Consciously or unconsciously, the notion is entertained that this moment is a wonderful time to do away with the opposition. It is just as important today to inquire into the details of what ideas we are expected to accept as it was yesterday. Personally I have no use for a unity which will make critics of General Franco "pseudo-Americans" who must be put away, yet just the other day I read a plea for unity which advocated exactly that. No, the war has not dissolved the internal conflicts of this nation and it is not going to do so. Men are pushing their private interests as vigorously as ever and those who overlook this elementary point are in for tragic disillusionment.

2. At no time have I advocated unilateral disarmament. I do think that multilateral disarmament would be a desirable thing, but of course it has never yet been achieved. For that reason I have always believed that the United States should be in a position to defend itself. In my time this country has never been defenseless. I do not believe it is today. I regard those who talk wildly about our defenselessness as ill informed individuals who are spreading unnecessary panic among the more gullible citizens. On the other hand it is plain that we are in the midst of a period of worldwide readjustment by force of arms. If we intend to sustain our position, and we do, it is reasonable to plan additions to our defense equipment. But if we are not to run about doing foolish and expensive things which will exhaust our energies to no worth-while end, we must have a clear picture of what we are going to defend and where and how we are going to defend it.

There must be a plan which can be explained in terms comprehensible to the average literate citizen. To date no such plan has been presented to the American people. Instead we have been presented with a record of huge appropriations and with the prospect that we are to have in some measure the worst and most dangerous of all economies, an uncontrolled arms economy. We are approaching a job full of economic and social dangers in a catch-as-catch-can spirit which is the product of nothing so much as panic. Personally I don't feel much safer since Congress granted President Roosevelt's requests for billions of dollars for defense. On the contrary, I have a definite fear that just because we are in for planless, super-expensive defense we are going to destroy some admirable American values through blind stupidity abetted by the malice of powerful individuals who hold reprehensible social views.

3. Nothing that has happened in Europe or in this country has shaken my belief that the way to make a nation strong is to improve the conditions of life of the masses of the people. The idea that France fell because Léon Blum held office and instituted a few reforms is fantastic. No matter what the American Mr. Bigs may say, it is plain that the only way to create a sound patriotism in this country—and by sound patriotism I mean a heartfelt conviction that this is the best country in the world in which to live—is to make it the best country in which to live. There are still too many people within our boundaries with reasonable doubts on this point. There are still too many unemployed, too many people on the ragged edge of want, too many people subjected to extra-legal terrorism by irresponsible "respectable" persons. You will only command loyalty by making this country a swell place in which to live, not only for the well heeled, but also for the average wayfaring man. We should reject the pleas now going up for the abandonment of recently enacted social reforms. Incidentally, we should recognize that the idea that only workingmen need to be badgered and coerced into doing the right thing is roundly disproved by what has happened in Norway, Holland, Belgium and France.

4. The precarious position of the United Kingdom is extremely disturbing. A Nazi victory over the British would be a disaster. But it seems to me that a vast amount of nonsense is being written and spoken about Britain. The duly elected representatives of the British people got the country into its present predicament through bad judgment or incompetence or both. Colonel Knox told the Senate Naval Committee that the British purchasing missions to this country have muddled around while Britain is burning. American responsibility for Britain's predicament is secondary and perhaps even more remote. It is not yet clear that we should, in a burst of hysteria, get tangled up in the United Kingdom's fate. We must remain in a position to save ourselves and perhaps some of the British dominions if the worst happens and the United Kingdom falls. Consciously or unconsciously, many Americans are advocating that this country pour out its substance to support a regime that has been decaying for years. Until we are clearer about which British people we aim to help, we should be very cautious about making commitments. If we rush in like fools, we may find ourselves holding a bag with which not even angels could deal to any profitable end. Wars never end with things exactly as those who promote them predict.

5. It is my unshakable conviction that those who are today viewing current affairs from the apocalyptic angle are going to live to regret what they are saying and writing. In due course their stuff will look pretty silly. It may get you no praise to counsel calm and caution when the house seems doomed to destruction, but when there is a menacing fire down the street the cautious man puts his valuables in a safe place while his hysterical neighbor carefully saves that old clock which won't run and leaves his best suit to the devouring flames.

New York City C. HARTLEY GRATTAN

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The Bandwagon

His leadership of these squatters got him into a peck of trouble. He got shot in the leg. A grand jury indicted him on charges of murder, conspiracy and assault with intent to kill. He was thrown in jail, and elected to a seat in the California legislature. – *From "Rascals in Democracy," by W. G. Clugston.*

It is Elsa Maxwell's astounding capacity for being exactly the opposite of John Steinbeck that makes her one of the most interesting people of her day. – *From Motion Picture Magazine.*

Love's Labor

Charging that manufacturers of "Love Nest" candy bars are chiseling on the Golden Rule, the Union kept up its picket line at the Euclid Candy Company. The Company makes . . . "Best Pal" candy bars, in addition to "Love Nests." – *News item in The CIO News.*

Curtain Raiser

Just before Dr. von Fritz spoke on "The Psychology of Nazi Germany," the City Club's report on rodent control was explained. – *From The Portland Oregonian.*

Chart for Hot Water

As she learns about the place boys have in her life, as the years develop that understanding and add power to it, her hope-chest acts as a testing scale. Could this young man live happily with me and Aunt Martha's silver teapot? – *From Angelo Patri's syndicated column, printed in The Buffalo Evening News.*

Sermon About a Mount

The power of the invader is limited; God still reigns. Hitler is the rod of his anger, but he is only a rod, a rod held fast in God's hand. He can go so far, but no farther. There is a fortress, a holy hill which he cannot take. – *Excerpt from a sermon in The Christian Century by Charles Morrison.*

Playing Matinees?

Mr. George Winthrop wishes to announce the marriage of his daughter, Vickey, to Mr. William Cardew and Mr. Henry Lowndes. At home at the Avalon Theatre, Sunday, Monday and Tuesday. – *From The Platsville, Wis., Journal.*

Yoicks!

Many Masters are at the front, and their Hunts are being carried on by Deputy Masters—men too old to be at the front, or ladies—but they are carrying on somehow; and if one looks at the list of fixtures which are published in the sporting papers each week, one sees little evidence of the diminution of sport. After all, as one man said to me the other day, when he was home on leave, and had a day's hunting with the Cattistock, "this is the England we're fighting for." – *A. Henry Higginson of Cattistock, England, in Country Life.*

Our readers are invited to contribute to this column; $1 will be paid for each item used. Address Bandwagon, care of The New Republic. Please enclose the original clipping. – THE EDITORS

Correspondence

Gone Are the Days

SIR: Out here in Nebraska on the far reaches of the Middle West, the short wheat crop and the prospect for corn if rain comes soon have been replaced as topics of conversation by the war, national defense and Western Hemisphere solidarity.

A year ago it was commonplace to hear, "There's nothing wrong with this country that rain for a couple of years won't fix." We aren't so sure of that now. There is a growing suspicion that prosperity in our lifetime is a myth. It is a hard fact to face. The trans-Missouri country has always lived on promises that were never consummated. Now even the promises are fading.

The farmers and men in the market towns are beginning to recognize the European war as a revolution. Further than that they cannot see. They sense that it is going to mean something in their lives; that the old days that never came to full fruit are forever gone; that rain, dollar wheat and twelve-dollar hogs are solutions no longer.

When the farmer's foreign market disappeared it was a bitter pill for him to swallow. But irrefragable evidence made him swallow it. Now before the bitter taste is gone there is a larger pill. If Western Hemisphere solidarity is to become a fact it will be accomplished by bribing some of the South American nations to be good. The form of the bribe will be importation of South American corn, wheat and beef into the United States. Not only is the farmer's foreign market gone but he faces the probability of competition in his domestic market.

The Middle West will complain against that competition as it has always complained against economic inequalities. It will find solace in self-pity as it has always done, but it will swallow the pill. The Middle West is aware of the need for national and hemispheric defense. It is not so isolationist-minded as it was in the First World War.

Your Nebraska farmer doesn't know where the world is taking him. He's skeptical of any bright future. The New Deal farm program did much for him during the dark thirties but he knows it is only a temporary expedient. The liberalism that keeps George Norris in the Senate will probably die with him, and he is an old man. The future is clouded. There are not even any promises such as once were held out to the farmer.

North Platte, Nebr. JOHN B. SPORE

Schumania

SIR: The reverse English on Professor Schuman's logic ["The Case for War Now," July 8] has a familiar spin: To forestall a possible Fascist war against the United States, we must declare war on Germany and Italy. And this is aside from the possibility of saving England. Painting lurid canvases depicting an invading horde has always been a convenient device for those with other motives for war. That the capitalistic world was mobilizing at Helsinki was once the CP's official line.

That Hitler may attempt to cross the ocean is of course a possibility. Could he overcome his material losses and the geographic obstacles? Could he whip a war-weary people into a frenzy over so distant a war? A cooler analysis of these and related questions would sound more convincing. But as Professor Schuman points out, the chief purpose of an immediate declaration of war would be to arouse the emotions which would obviate such analyses. If we may judge by the exhorta-

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tions of many of our noncombatant professors, however, such a declaration would be an act of sheer supererogation.
New York City MONROE LAZERE

SIRS: Professor Schuman's communication advocating a declaration of war because of its psychological effect is in its assertions correct. But it omits a lot.

He is right as regards the people's positive attitude towards war. But does he realize too that as this notion peps them up, they will demand all sorts of noble, admirable, heroic, but strategically indefensible and murderous actions? What we need now in the realm of ideas is not so much advocacy of war but training of professional political scientists, etc., in the theory and art of war, so that popular enthusiasm can be oriented towards the possible. Otherwise we will find armies, untrained, recruited overnight, sent to fight in untenable or costly situations, because we have the notion that war is won by fighting the enemy immediately, rather than waiting to disadvantage him.
Washington, D. C. LEWIS DEXTER

A.H.

SIR: The initials of your new caricaturist, Anne Heyneman, say it the way I felt it—AH! A regular reader of your magazine, I've been waiting to see something that would liven it up and have enough punch to call the blows of our 1940 gladiators. I think you have it now. Best I've seen yet.
New York City W. F. CUMMINGS

The Cold-Hearted Hollywood Hand

SIR: When Otis Ferguson penned his addle-headed criticism of the Neely bill which would prohibit block-booking and blind-selling of motion pictures (June 3) the most accurate statement he made in the entire article was, "It is going to be said that I am playing a stalking horse for the companies."

If the Neely bill would even in a small way remove the cold-hearted, autocratic hand of the Hollywood combine from the throats of the struggling independent exhibitors, it would be welcome.

Mr. Ferguson should acquaint himself more fully with some of the lupine tactics of the movie trust. What better testimonials can Mr. Ferguson require than the hundreds of grateful letters that have poured into the office of the West Virginia Senator from civic organizations, theatre-owners and theatre-goers from all over the country praising the need for such legislation?

One more point, please—How can we expect our critic to intelligently discuss this bill when he can't even correctly spell the name of the sponsor. The name is Neely—not Neeley!
Fairmont, W. Va. WILLIAM B. CURRY

The Mighty Atom

SIR: In your editorial of May 13 on U-235 you are guilty of an error. Of all the atoms known to mankind, the only one the nucleus of which does not include one or more neutrons is just plain ordinary hydrogen.

The reason that running a stream of water over U-235 furnishes slow neutrons for the fission process lies in the nucleus of the hydrogen atom, it is true. But it is the mass of the nucleus which is the important factor.

When U-235 explodes, it not only furnishes two large fragments but also two or more fast neutrons. These neutrons are of almost the same mass as the hydrogen nucleus. When a neutron hits such a particle it imparts most of its velocity to that particle in the manner of one billiard ball hitting another. When a neutron hits any larger nucleus it bounces off with little change in its velocity as would be the case if a billiard ball were to hit a large bowling ball.

Thus the hydrogen atom merely serves to slow down the neutrons furnished by the fission of U-235. It is the two neutrons for one property of fission which open the way to atomic power.
Baltimore, Md. JOHN JACOB MITCHELL

A Youngster Named Lee Hays

SIR: Once I knew a youngster named Lee Hays, who came from the South and afterwards went back there. I have heard him tell the story of his father's purple hair more than once [The New Republic, May 27].

I too think a lot of people, especially dictators, ought to have purple hair. And I think we ought to have some more of Lee Hays's philosophy published in The New Republic.
Cleveland, Ohio JOHN BELKNAP

From The New Republic Mail Bag

Our California correspondent, a hitherto impeachable source called William Saroyan, has submitted a piece of what both he and we call "bad verse," but with a stamped self-addressed envelope encl. He says he started to take a shot at Mr. MacLeish's bad history and then said what the hell. "What's the good of all the talk? You had better assign somebody to the writing of a piece entitled Let's Not Get Any More Emotional Than Absolutely Necessary under the Circumstances, Inasmuch as What We Say under Stress of Emotion Is Likely to Make Others Like Us Say Other Things under Stress of Emotion and Further Confuse Themselves and Everybody Else." For our money, the Democrats could have picked Saroyan for a dark horse, if he were a horse.

M. L. Hardman writes from Cambridge, Massachusetts, to suggest it would be nice if Max Lerner (writing in our Defense Supplement of July 1) would read Hardy some time. He says the phrase "In time of the breaking of Nations" does not occur in "The Dynasts," where Lerner found it, but is the title of a poem collected in another volume. . . . E. P. Ireland of Shamrock Ranch, Medford, Oregon, says there is a power of United States west of New York City, and wonders if we think of that when considering the idea of taking over the British, French and Dutch colonies in this hemisphere. "Don't you think we've had enough experimenting in imperialism?"

One of our Catholic readers reports having been in Detroit and making a pilgrimage to the shrine of the saint in Royal Oak. "How a fearlessly fascist church should look: all marble and spotlights. Gates-of-hell-shall-not-prevail-against-it note: When the priest is in the confessional his name glitters in electricity over the door."

During the past month or so many reports have come of teachers being active in defense of civil liberties and peace in our time. At Antioch, twenty-one faculty members (including the president and his assistant, the dean and six department heads) signed a statement which neatly linked the present anti-Communist activities with the Palmer raids of odorous memory. The New York College Teachers' Union, in conjunction with the Chicago unions and the American Federation of Teachers memorialized the President, asking him to come back home to us from Europe. Twelve Harvard faculty members also protested to the President about the Committee to Defend America by Aiding the Allies. At Northwestern, forty-eight of the faculty signed a statement whose first point was that we will do most for democracy by staying out of war, and whose other points included abhorrence of totalitarian government and of witch-hunting, approval of domestic reconstruction and a sound policy of defense.

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Books in Review

The Great Profile

THIS LITTLE BOOK by John T. Flynn,[1] who occupies a column a few pages back, is as severe an indictment of Franklin D. Roosevelt as has ever been written. The portrait is done not so much with acid as with a blow-torch. And Mr. Flynn must have known, when he applied the sizzling flame of his honest indignation to the President's hide, that he was going to be the target for every dead cat and tin can in the New Deal back yard. He is to be saluted for sticking his neck out. He is also to be saluted for saying some things that have needed a non-partisan saying for quite some time.

Mr. Flynn's indignation, though honest, is fused with rancor—a heated irritation that anyone who has recently been close to politics, and political Washington, can easily understand. One may differ with Mr. Flynn in one's final estimate of the President but, like him, one finds it impossible to swallow the theory, whose best expression was given by Mr. Rexford Tugwell in this family journal, that Mr. Roosevelt is a great social architect whose plans have been consistently foiled by the forces of national evil. The theory that Mr. Roosevelt is a great thinker will also bear further examination. This examination is going to be extremely difficult for, as Mr. Flynn accurately points out, any number of the President's public addresses are the product of other men's pens, other men's minds. Nor—in the washing all things might just as well come out—have they been particularly gifted minds. Louis Howe, Raymond Moley, Hugh Johnson, A. A. Berle Jr., Thomas Corcoran, Ernest K. Lindley—these are some of the men to whom Mr. Roosevelt has entrusted his public thinking. And it is not discourteous, surely, to say that whatever their other distinctions may be, none of these gentlemen will be remembered among our modern Emersons.

Mr. Flynn tells us that his book is not intended as a biography. A sharply etched portrait of the President, however, emerges from its pages. The Squire in the White House, as Mr. Flynn sees him, grew up as a spoiled darling more or less under the domination of a rather imperious mother. Privately educated until he was fourteen, denied the group experience that most boys get during their grammar-school years, an indifferent student at both Harvard and Columbia, he came to manhood with little learning and few convictions. Unsuccessful in business, totally disinterested in problems of economics and finance, he was singularly unprepared to meet the greatest economic crisis in our history. He is not a thinker but a man of impressions and leanings and sentiments. In those moments when other men are apt to turn to a book, he will turn to his stamp albums. Possessed of an eager, credulous mind, he has a disposition to see only the beautiful colors of any vision or any social and economic cure put before him and is completely impatient with details—witness, Mr. Flynn tells us, his proposal to build 50,000 airplanes at a cost of seven billion dollars while saying to the country that the means of raising the money was a minor matter.

According to Mr. Flynn, there are but two important motor drives in the presidential character. The first of these is a love of big navies, evidenced by his collection of naval books and prints and various statements made while he was Assistant Secretary of the Navy, and it is this, Mr. Flynn argues, that is leading us down the road to war. "Put all of these things together," he writes, "the President's love of military and naval might and display, his truculence about the command of the seas, his well known sympathies both by blood and sentiment with England, his dilemma in finding means to spend money and ways of holding popular approval of spending, the rising tide of political antagonism that was generally recognized before the war began—and you have the conditions that set his mind off in the direction of military adventure."

The President's second dominant trait, as laid bare by Mr. Flynn's scalpel, is a deep-rooted desire to be well liked—to be looked upon as a good fellow by everyone. This is the explanation of his charm. It also explains why men as widely different as Mr. Joseph Kennedy and Mr. Harold Laski can leave the President's office feeling that he is on their side. It may help to explain, also, why the President, during the early part of his regime, was "incessantly busy conferring appointments, authority, honors on leading reactionary and conservative figures one week and then passing out appointments, orders and endorsing measures for the left-wingers the next."

Mr. Flynn subjects the President's economic measures to this same kind of going over. A detailed examination of his criticism is here impossible, but the idea should come fairly clear. This book, in effect, is the dissenting opinion of John T. Flynn. It is an opinion with which, in reference to its economic discussions, I would be inclined to agree. I cannot help but feel, however, that Mr. Flynn has gone a little too far in certain places and not far enough in others. For example:

It is regrettable that more attention was not given to the President as politician. When Mr. Flynn wrote that the President is fundamentally political-minded, that he thinks in terms of political maneuver, he stamped out a key that could be used to unlock many doors. Let us take, for instance, the Supreme Court battle and the mystery of the third term.

The real issue of the Supreme Court fight—the constitutional question involved—was never presented to the American people. Instead of taking the nation into his confidence, instead of assuming a forthright position, the President elected to try a political maneuver. It was a little clever, a little sly, a little snide. And the same thing is true of his silence relative to a third term. That silence has many defenders and perhaps it is true that a declaration of purpose on the part of Mr. Roosevelt would have de-

[1] Country Squire in the White House, by John T. Flynn. New York: Doubleday, Doran and Company. 131 pages. $1.

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stroyed our influence abroad. (Recent events, however, give one a pretty broad basis for doubt. Exactly what has our influence abroad accomplished?) The point, however, is that the whole strategy of the third term has been another political maneuver—and, while one would heartily agree with the New Dealers that politics is politics and that an extremely effective war of nerves has been waged against the Republicans, it is none the less getting extremely irksome to have those boys beating their breasts and looking holy and saying that all this has been done for the sake of liberalism, democracy and the U. S. A.—never for Ed Kelly or Frank Hague or even Franklin D. Roosevelt himself.

Yet, after everything has been said against him, much remains to be said in Mr. Roosevelt's favor. Even Mr. Flynn admits that it rationally may be argued "that he has done his best in every direction; that whatever may be said of the final result, he has been on the side of the poor and underprivileged and, even though he has not been able to bring recovery, he has brought into being a number of splendid reforms in the interest of social justice." How, then, does this square with Mr. Roosevelt's character and personality? Why has he come to be regarded, rightly or not, as the champion of the poor and the enemy of the rich: a role, one suspects, he will occupy in history. Wordsworth, long before Freud, long before Pavlov, long before the Behaviorists, told us that the child is father to the man. And Mr. Flynn provides us with an excellent clue to one part of the President's personality when he points out that the Roosevelt family—believe it or not—has been more or less financially cramped, keeping up a style of living imposed upon them by their neighbors within the limits of an income quite narrow for the landed gentry along the Hudson. Underprivilegedness, in short, is also relative: and it may be suspected that the President, at some time or other, was subjected to certain financial and emotional pressures sufficient to engender a feeling of hostility—perhaps subconscious hostility—to that section of society represented by the upper Hudson River squirearchy.

It seems to be true, on the basis of much more evidence than is contained in Mr. Flynn's book, that the President likes to be liked. But, though he has wanted to be liked by Mr. S. Clay Williams, he has also wanted to be liked by Mr. Justice Felix Frankfurter and Mr. Justice W. O. Douglas. His intimates are not the sort of men, for better or for worse, who would have been selected for intimacy by Herbert Hoover or Alfred Landon. And if he is not a man of ideas, if he is simply a highly gifted salesman of other men's concepts, at least the ideas he has articulated have been vigorously in defense of our democratic processes.

Perhaps, as Mr. Flynn thinks, there is nothing behind that fine voice but rhetoric. Perhaps, as Mr. Flynn says in his concluding chapter, the President has actually weakened our democracy by his acts while defending it with his oratory. It is certain that the American people are getting tired of drift and uncertainty. It is equally certain that no amount of propaganda can conceal the fact that all our major problems remain unsolved, that we are faced with the threat of war, that we have spent twenty-two billion dollars for recovery and that, some day, the debt has to be paid. It has all happened that way, Mr. Flynn concludes, because Franklin D. Roosevelt is that way. But this is too easy an explanation. We are much too close to the time, and to the man, to draw such a moral. The final verdict on Mr. Roosevelt cannot be handed down by Mr. Flynn, by the New Dealers, by the Republicans, or by this reviewer. It can only be anticipated and anticipations are invariably colored by emotion. History, being less prejudiced, will strike a calmer conclusion. HAMILTON BASSO

The Sociology of War

War in the Twentieth Century, edited by Willard Waller. New York: Random House. 584 pages. $3.

EVER SINCE VOLTAIRE said that war was not the highest subject for historiography, the best thought of historians and social scientists has been concerned with more peaceful matters. It is only recently and reluctantly, as if forced to the wall by a hold-up man, that these students are returning to the contemplation of war. Such a situation may not be propitious to the best thinking, as the symposium under review would seem to indicate. Though it contains some valuable contributions, on the whole it is more important as a symptom of the times than as a scientific achievement.

The contributions of the historians to this collective work seem less impressive than those of the politicians and the social scientists. Harry Elmer Barnes discusses the question of war guilt in a vein now familiar, once more grading the culpability of the different governments, but being clearer about their guilt than about the set of values according to which they are declared guilty. Is it not time to go beyond this obsession with sin and crime, and ask the commonplace question whether all the governments of 1914, like the big belligerents of 1939, went into the war, not for reasons based on the mechanics of alliances and mobilization plans, but because each one of them was convinced that it could count on being victorious? Another historian comes to the conclusion that the larger cause of the war of 1939 was "the lack of treaty revision" since 1919. But that presumes —speaking of the years since 1933 at least—that the Nazis would have accepted any conceivable treaty revision as final or satisfactory.

The military aspects of war are largely omitted, as the editor explains, because "we cannot learn much about war by studying battles"—a judgment which is clearly a Voltairean survival, for actually much about war can be learned from battles, even though it may seem a little hard, by applying certain scientific methods. The politics and economics of war receive much better treatment. Max Lerner's contribution on the state in wartime deals lucidly with the fundamental conflict between the state power and civil liberty; Franz B. Wolf's essay conveniently outlines the economy of war and of preparation for war (*Wehrwirtschaft*). "The economic interpretation of war," however, is largely ruled out by the editor himself—who, though he refutes the "primitivization" of this thesis, does not raise the issue whether the ultimate stimulus for war is not of an economic nature. The formula "economic interest dictates" is far too simple to render the justice due to a truer, complicated economic interpretation. The editor, incidentally, hints at

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such an interpretation when he says that "prolonged hard times certainly predispose a people to the outlet of war." This might have been expressed still more correctly by saying that they make the leading groups of a nation more ready to undertake war.

The editor's own formulations about the making of war are of so metaphorical a nature that they can but strengthen the doubtful attitude of historians toward sociology. He says, for example, that a "growth of war fever is subject to law. It is a response to economic, cultural, political, social, psychological and other factors . . . which coöperate in producing war in more or less the way in which chemicals combine to produce different compounds." One historian at least is inclined to say that war is too serious a business to be left to the sociologists, particularly when they set up laws for it. *Timeo sociologistas et leges ferentes.*

ALFRED VAGTS

Period Flyer

To the Indies, by C. S. Forester. Boston: Little, Brown and Company. 293 pages. $2.50.

C. S. FORESTER can be relied on to put up a good combination of historical background, characters you can get acquainted with and forthright action. "To the Indies" is more of a period flyer than usual even for him; its story is that of Columbus' third voyage to Trinidad and Española—or rather, of the strange adventures of Narciso Rich, a portly Crown lawyer assigned to check up quietly and at his own peril on the administration of the new Spain over the seas. Forester has a trick of sizing up his figures of history that helps him with such a legendary name as Columbus, whom he explains as an egocentric dreamer and fine practising seaman, inept in politics but so sharp in small slyness as to cut everyone's finger, including his own. Whether this is verifiable doesn't matter; it explains.

And as far as the principal character of the lawyer goes, Forester could almost take a patent on the device of making his hero such an ordinary person and conscious vessel of weakness that heroic deeds are achieved as naturally as though the quite ordinary reader had fallen into and gotten out of the mess himself. Don Narciso got command of the shore parties by a fluke and spent several days pushing around the delta of the Orinoco. Later, in Española, both natives and disaffected hidalgos were in revolt, and both the evidence for the lawyer's damning report and violent happenings to him piled up quickly: battles, kidnaping, shipwreck, castawayfaring. The Admiral and Narciso finally left on the same ship, the first broken and in chains, the other less fat and fearful, a wiser and younger man.

Outside of its plain readability, the charm of the book is in its realization of a world as it was, its drives for God and gold, its rigid hierarchies and new elastic enterprise, its widening body of lay knowledge referred back laboriously to the ancients, its morals to the Inquisition. All this is sketched in only roughly, of course, but while the story lasts we get a peculiar double-perspective on a time bound by danger and darkness, still bright with faith and hope of riches, where the balance between audacity and circumspection was so fine that a shift either way was the last move a man made. It was a time of wonder and it has parallels; it was not a wonderful world.

OTIS FERGUSON

Country Parson

Forty Years a Country Preacher, by George B. Gilbert. New York: Harper and Brothers. 319 pages. $2.75.

WHEN GEORGE B. GILBERT was a small boy on a Vermont farm, and the minister came to call, the minister never went any place in the house but the parlor and the dining-room. George said to his brother once, "I'd like to be a minister some time. I wouldn't hang around the house. I'd go out to the barn and down in the lot where the boys are, and I'd give them a lift."

That is just the kind of minister George Gilbert did become. Though his friends thought him a fool for "burying himself" in rural Connecticut, his life has been rich in friendships and intimate experiences, and he tells the story with a sense of humor. Your reviewer, who happens to be a Connecticut country parson's wife, finds him a shrewd commenter on church affairs, not always conventional in his conclusions, but always sincere in his attempt to humanize the church and adapt it to the needs of his people. "Forty Years a Country Preacher" is required reading for those who are asking, "How can we revive the church?"

As a college student, Gilbert spent some of the most miserable years of his life. His clothes were shabby and his diet consisted chiefly of potatoes brought from his farm home, supplemented by cocoa and crackers. His wealthier classmates laughed at him for his "eccentricities" and disliked him because he made high marks. After being graduated from Berkeley Divinity School, then in Middletown, Connecticut, Gilbert took his first parish in Middletown. But his honesty and directness made him many enemies among the well-to-do families, and he was not happy there. Forced to leave, he went through a long dark period before he came to Killingworth (not far from Middletown) to the "church in the wilderness," around which his ministry has since centered.

Here he put into practice many of his unorthodox beliefs about how a church should be run. Noticing that churches are empty for preaching services and full for socials, he combined midweek meetings with square dances, choir practice with parties. On Sundays his people stayed after church to eat Sunday dinner together, sitting at long tables. The dinner was cooked during the services, and his congregation was never surprised to see him vanish from the pulpit—for he had discovered that if he hurried he could pump the water, get on the coffee pot, light the oil stove, put the coffee in a coffee bag and get it in the pot in six lines of a hymn. He took the church to his people, also. He mowed hay with the farmers, fixed pumps, cut hair, procured food and cookstoves for needy families, fixed swings for children to play on. He laughed and told stories, and shepherded his flock seven days a week, not just an hour on Sundays.

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For a time he took an active part in politics and was elected to the House of Representatives in Hartford, where he worked for cheap rural electricity and better roads. A believer in public ownership of utilities, he fought "King" Roraback unrelentingly, and rejoiced when the king was finally toppled from his throne. Gilbert has always preached only what he practised. His chosen people are the poor people, and he is scathing in his opinion of the church when it is so fine that the humbly dressed are ashamed to fill its pews. Gilbert's philosophy can be summed up in his own words:

> Prayers and creeds have their place in the Christian life, but I notice that in speaking of the last great day, Jesus made no mention of either. He asked whether we had clothed those who were ragged and shivering, whether we had given anything to eat to those who were hungry (say, at church suppers), whether we had been persistent in helping those who were sick. . . . It's my philosophy that God wants people to live to a ripe old age, having their share of the good things of the earth which He has given them, and being mighty happy about it. There's no use having so much religion that no one can live with you.

DENISE DRYDEN LYNN

Feminist

Created Equal, by Alma Lutz. New York: The John Day Company. 357 pages. $3.

IN HER BIOGRAPHY of Elizabeth Cady Stanton (1815-1902), Alma Lutz has told a sympathetic story of the nineteenth-century struggle for woman's rights. That struggle aimed at more than the right to vote. Higher education for women, equal pay for equal work, the abolition of unjust laws on marriage and property, even birth-control education, dress reform and the eradication of syphilis were among its objectives. Thus woman's rights takes on first-rate significance as part of a broader movement toward democracy (it is interesting that the first suffrage convention took place in 1848); and for that reason alone "Created Equal" is an interesting addition to any library of social history.

It is a readable book, full of vivid personal detail, and very lively in its recreation of famous personalities. Judged by their justice toward women, even William Lloyd Garrison, Phillips and Frederick Douglass seem to have been men of flawed and partisan vision, while Henry Ward Beecher, in the notorious Tilton case, appears the pusillanimous hypocrite he probably was. But the author is fairly objective about the women, too; and among the many who appear in this record only three are remarkable for intelligent leadership and personal power: Lucretia Mott, a serene and gracious saint; Susan B. Anthony, shrewd and capable organizer; and Elizabeth Cady Stanton, indefatigable lecturer, writer and "philosopher" for the cause.

Mrs. Stanton was a woman of energy and vision, grasping the revolutionary relationship between Abolitionism and woman suffrage, between the status of women and sexual custom, with a critical understanding we have only begun to surpass. In honoring her rich life, however, the author seems too confident that we pay tribute to a battle that is won. If "Created Equal" had been written with more insight into the historic basis of oppression, it would have been an even better book.

REBECCA PITTS

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Parents and Children

The Psychology of Parent-Child Relationships, by Percival M. Symonds. New York: D. Appleton-Century Company. 228 pages. $2.

THIS IS an important member of that small group of books directing the attention of teachers to the emotional factors in education. It differs from the allied contributions of Daniel Prescott and Carson Ryan chiefly in construction, not in point of view. "When parents act like this, children act like that," says the book in substance, "and teachers must understand this if they are to succeed in teaching."

Professor Symonds leans heavily upon the findings of psychoanalysis. He feels that he has hit upon a valid method of putting these findings to statistical verification in a correlation of the acceptance-rejection and dominance-submission tendencies in parents with similar (or opposite) tendencies in children. One might have some reservations about the validity of data obtained by over sixty student assistants, but Professor Symonds has organized and synthesized their material with great skill. What the book lacks in technical profundity it makes up in convincingness for the average teacher-reader, and tends to support, as its author had hoped, the psychoanalytic concepts of parent-child, teacher-pupil and councillor-client relationships.

KARL MENNINGER

A Reader's List

WHEN THE SHIPS CAME IN, by Jack Lawrence (Farrar and Rinehart, $2.50). Sketches of the life and tradition of New York ship-news men, by a reporter who worked out of the old shack by the South Ferry slip before the War. Characters, yarns, remarks on the Titanic, Deutschland, Lusitania. Good stuff on tribal habits, and easy reading. But, as usual, the veteran reporter becomes a nervous-novice author, forgetting Concision and Full Coverage, etc.

IN SEARCH OF COMPLICATIONS, by Eugene de Savitsch, M.D. (Simon and Schuster, $3). The colorful reminiscences of a White Russian refugee who became an American doctor through pluck, luck and the devoted interest of a Denver ladies' club. Humorous and sometimes incisive comments on White Russians, medical schools, internes, medicine as practised in the Congo, etc. Intelligent froth, recommended for summer reading.

WRITING MAGAZINE FICTION, by Walter S. Campbell (Doubleday, Doran, $2.50). A manual based on the workshop method, with chapters on plot, characterization, etc., together with tips on how to set up the short story, the novelette and the novel. The main object is to hammer home the formulas used by successful authors in the pulps and slicks. All you have to do then is learn how to write.

THE AIRCRAFT YEAR BOOK, edited by Howard Mingos (Aeronautical Chamber of Commerce, $5.00). The twenty-second annual edition of a survey that has come to be the official reference work on American aviation for the army and navy air forces and a standard authority for Congress (as well as a mine for lay magazine "experts"). Packed with accurate information about all phases of aviation, civil and military, with an especially complete section on the aircraft-manufacturing industry. The statistical tables are excellent.

FICTION

THE SHIP'S SURGEON'S YARN, by Francis Brett Young (Reynal and Hitchcock, $2.50). A collection of twelve stories by a deft but apparently tired writer. Half of them are about the sea and the rest about anything—artists, exiles, writers, people. Some begin with excitement or at least with the exotic, but then they twitch off into plot patterns and the dogged dénouement.

COUNTRY GROWTH, by August Derleth (Scribner's, $2.50). Sixteen stories, sketches, and "novellas," most of them culled from the magazines and all of them growing out of Mr. Derleth's deep knowledge of, and nostalgic love for, his native Wisconsin neighbors, farmlands and small towns. Range: mighty poor to fine. They are weakest when working Sherwood Anderson's side of the street ("The Intercessors"), best when Derleth's fresh, country humor brings him into the clear on his own ("Holiday for Three," "The Alphabet Begins with AAA").

Contributors

JONATHAN MITCHELL, who lives in Washington, is well known for his articles on the political scene.

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How to Pay for Defense

A Special Section of The New Republic, July 29, 1940

What We Did Last Time

THE HANGOVER of cynicism and disillusionment which followed the World War was due in considerable part to the failures of war finance. The contrast between the idealistic slogans of the war administration and the plunder which went on just behind its back; between the heavy sacrifices required of some and the unconscionable war wealth bestowed upon others—these contrasts left a sour taste in the mouth of the American public. Now again we are confronted with an emergency; haste is necessary; adequate finances are essential. Can we not avoid a repetition of fiscal mistakes by recalling the experience of twenty-five years ago, along with what has happened here and abroad since that time?

In many respects our problem is much more difficult now. In 1917 we had virtually no public debt; income and estates taxes had been inaugurated but were still in almost their virgin state. Today, at the outset of a new war program, we are hearing from the housetops that our public debt has already passed the danger point and that direct taxes have made business groggy.

On the other hand, in some respects our present situation is advantageous. We have a large reserve of unemployed men and resources to throw into the breach. In 1917 there were adequate investment opportunities for private capital, and war industries had to compete with increasing normal investment; in 1940 private investment is not expanding and industry is unable to absorb the large amounts of savings which are readily available. Unemployment of men and resources has been the great national economic scandal for some years. We should be able to raise the national income enough to finance adequate defense without reducing consumption standards one iota. A conservative gain of 25 percent should be ample to cover not only more battleships but more butter as well.

It should be said too that neither taxes nor debts have reached anywhere near their absolute limit. Before the present war started, the total per-capita debt of Great Britain was nearly two and one-half times as great as that of the United States although the British per-capita income was somewhat less.

Perhaps the most obvious characteristic of our war finance in 1917 was its enormous costliness, both absolutely and in relation to results. Before the end of the calendar year 1917, Congress had appropriated $19,000,000,000, including approximately $7,000,000,000 for loans to the Allies. The total cost of the federal government from 1791 to 1914, including three very considerable wars, was $26,000,000,000.

At the beginning of and even before our participation in the War, the issue of bonds versus taxes was sharply debated. President Wilson called for a policy of paying for the War, in so far as possible, while it was being waged. The nation's economists at their convention in December, 1916, spent considerable time discussing the subject. In a memorial to Congress, some of them explained the unfortunate economic effects of large bond issues, and recommended high taxes. Their position was supported by numerous other groups and individuals.

To the credit of Congress it should be said that it did not let this advice pass unheeded. The revenue act of 1917 was characterized by The New York Times as "the greatest burden ever put upon any people," a burden which "would have been thought incredible, unendurable, but for the education through which the world has passed under German compulsion." Professor Seligman later calculated that, ignoring loans to the Allies, 30.32 percent of our war expenditures were financed by war taxes. Including the foreign loans, 21.59 percent came from this source.

In spite of these facts, it is generally recognized that a principal failure of our war finance was that it involved too much borrowing. Perhaps it would be more accurate to say that it involved too much borrowing in the wrong way. Many of the bonds were sold directly to banks; others were sold to individuals and business firms who financed their purchases with bank loans. The government facilitated this process by maintaining a relatively low rate of bank interest and by permitting banks to expand credit on the security of the government bonds. The low interest rate also encouraged heavy borrowing from banks for other pur-

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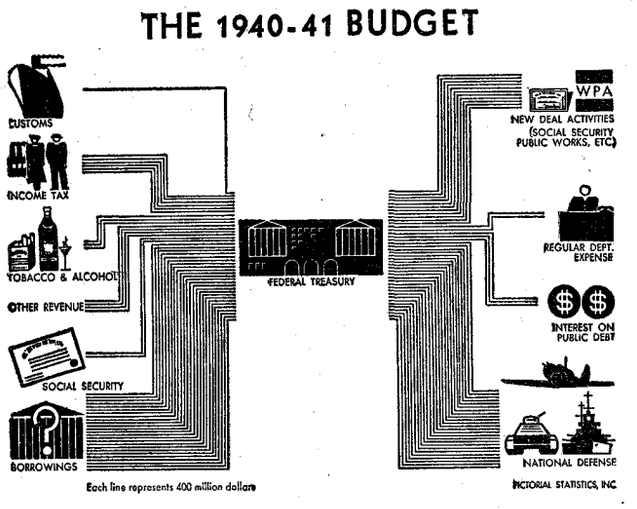
poses. Thus the war borrowing came very largely out of an expansion of credit, rather than from savings. Conceivably, through higher interest rates and less encouragement of bank credit, a much larger proportion of the loans could have been financed out of savings. This would have involved a genuine shift in consumption from ordinary to war outlays.

The policy followed was equivalent, in effect, to printing and circulating huge quantities of new government paper money. The result was a large and rapid advance in prices. Using 1900-14 as a base index of 100, wholesale prices rose to 231 in 1920. Such precipitous price changes are equivalent to an erratic and regressive consumption tax. Certain people are unable to adjust their incomes to a rising price level because their wages, salaries or interest are set by custom or long-time contracts. Moreover, such inflation bears the responsibility for the maladjustments and depression which attend post-war deflation. All of these predictable consequences, particularly the latter, have risen to plague us since the War.

In one other respect the borrowing program of the First World War was open to censure. In order to maintain prices and keep down interest rates, the government, over much protest, incorporated a tax-exemption feature in its bonds. The exemption, which varied with successive issues, was limited considerably. But it was sufficient to aggravate the tax-exempt-security problem, and it has remained a source of inequity down to the present day.

In regard to the taxes used to finance the War, the first issue was that of direct versus indirect taxes. Here again Congress made a noble effort, and succeeded in raising most of our revenue from direct taxes. In the case of indirect taxes, special excises were imposed upon such articles as alcoholic beverages, tobacco, entertainment, jewelry, sporting goods, chewing gum, cameras and playing cards. Parcel-post packages were taxed and special levies were placed on public utilities and insurance companies. There was thus some taxation of necessities, but in the main the consumption taxes were confined to "luxuries."



By all odds, the most important war taxes were the personal income taxes and the excess-profits taxes. The income tax was graduated to a maximum of 77 percent. The excess-profits tax was applied first to all business, and then, after 1917, only to corporations. It was graduated to 65 percent on profits above 20 percent of invested capital (8 percent exempt as normal) or 80 percent on profits above pre-war years—whichever was higher. There was also a more moderate corporate net income tax.

These tax measures were not lacking in teeth, but in their application they left much to be desired. The personal-income tax was and is avoided through non-distribution of corporate earnings. The excess-profits tax raised impressive administrative difficulties, centered principally around the definition and determination of invested capital. Also, avoidance was invited by the fact that corporate expenditures were deductible upon generous terms, and huge salaries, bonuses and advertising expenses were incurred accordingly. With all its limitations, the excess-profits tax was an impressive fiscal success. In 1918 the tax brought in $2,500,000,000 out of a grand total of $4,286,000,000 in individual and corporation taxes.

A few observations may now be added concerning recent fiscal experience here and abroad. Our federal income-tax structure has long been criticized on the ground that its base is too narrow and its rates too easy on the lower and middle brackets. Out of 45,000,000 people who voted in the last presidential election and some more who were eligible to vote, fewer than 3,000,000 paid income taxes for 1938. (Of course, these figures are a commentary not only on tax institutions but also on the paucity and inequality of income.) Concerning the middle brackets, almost all the depression increases in direct taxation have been on taxpayers with incomes over $50,000. Taxpayers with incomes of less than $10,000 are especially favored. Before the recent war increases, the British taxed a $10,000 income nearly five times as heavily as we. It must be remembered that in 1937 nearly 37 percent of the income reported was between $3,000 and $10,000, and that this income was more than a third greater than all the income above $10,000.

The present Congress, under pressure of war appropriations, revised the income tax with major attention to these facts. Exemptions were reduced to make some 2,000,000 additional taxpayers, the surtax rates were increased in the middle brackets, and all taxes (with some exceptions) were subjected to a special 10-percent addition. Since the revision, a married man with one child pays $13.20 federal income tax on a $3,000 income.

The estates-tax exemption of $40,000 (plus an additional $40,000 in insurance) represents a degree of generosity which can hardly be maintained in times like these.

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Three other features of our income tax are worth further consideration. One is the provision that allows complete escape from individual taxes for income left undistributed by corporations. It was during the debate on the revenue act of 1917 that Senator Jones of New Mexico called attention to this inequity in our income-tax laws, and proposed taxing individuals on their pro-rata shares of corporate income, whether or not distributed. The Roosevelt administration sought to do something about this matter with the undistributed-profits tax of 1936, but beat a hasty retreat as a business appeasement. The second feature to be mentioned is that of tax-exempt securities. This involves a problem that becomes steadily more urgent as the volume of government securities and the burdens of direct taxation increase. Finally, there are the provisions concerning capital gains and losses, now very favorable to this speculative class of income. The President allowed these to become law without his signature. In this connection, it may be remembered that the stock market ran riot during the last war and that some stocks doubled, tripled and even quadrupled in value. Allowing for the decrease in the purchasing power of money, that period must still be reckoned as a heyday for the speculator. Increased burdens for the little fellow prescribed by the present Congress have not been matched by equal attention to the big fellow's loopholes.

Turning to experience abroad, there seems to be little new in war financing to help us. England has pressed her direct income tax to unprecedented heights, reinaugurated a war-profits tax, increased special excise taxes and is relying heavily upon internal loans. A general sales tax (at the wholesale level) is being considered, but by all odds the most promising proposal is the Keynes plan for conscripting credit and underwriting minimum standards of living. In France, as formerly, great reliance was placed upon borrowing from the Bank of France. There were some increases in taxation, especially indirect taxation. The war tax program met some reasonable dissatisfaction on the ground that it fell principally on the lower and middle-income classes. We might perhaps learn a good deal from the experience of Germany, but Nazi methods are shrouded in secrecy and not fully applicable in any event to democratic countries. Of course we should emulate the full and planned production with which the Germans achieved such success. The German program of subordinating vested interests to the common cause offers much that we could safely copy.

In strictly economic terms, not much of the real cost of a war can be postponed to future generations. The cost must be met out of increased production or production diverted from the fabrication of other goods to those essential for war. Inflation is a form of diversion, but its incidence is regressive and capricious, and it leaves a vicious aftermath. Taxation must be employed to accomplish diversion without imposing too much of the burden on the low-income groups. Credit must be strictly rationed so that inflation is avoided and an ample supply for war industries is conserved.

More specifically, what are the lessons of experience regarding war finance? A few suggestions can be listed:

1. Our war gadgets cost altogether too much, with too much profit and too much waste in their provision. The policy of installing business men as government leaders and giving them carte-blanche privilege to make contracts with their own firms has not shown results which recommend repetition. It is a well known fact that we get far less for our public-defense dollar than any other nation. We ought to do something about it.

2. Consideration should be given to the development of government-owned facilities for the manufacture of war supplies and equipment. This is desirable for other reasons than reducing costs. Much war investment will be amortized with government orders over a short period, and there is no necessity for presenting private industry with this equipment. Publicly owned power facilities such as the TVA should certainly be enlisted.

3. Until a better method is devised, we should reinaugurate the excess-profits tax for the emergency period. Every effort should be made to make its administration tighter than in our previous attempt.

4. The next income tax should be revised with the aim of broadening the base and enlarging collections from the middle brackets. The present Congress has made a start in this direction. As to the lower brackets, due consideration must be given to the very substantial consumption taxes and local taxes which are levied on these incomes. Serious thought and investigation should also be given to the effect of federal tax measures upon the revenues of local governments (from which most of the fundamental public services are still provided). Important loopholes, particularly those of tax-exempt securities and undistributed income, still seriously impair the equal application of the income tax. The capital-gains feature of our present law will also bear reëxamination.

5. Finally, since further emergency borrowing is inevitable, we should borrow with due regard for the perils of inflation. Until the country approaches full employment, we probably have little to worry about on this score. If and when it reaches full employment, we should borrow in such a manner as to garner savings and control consumption, rather than expand credit. Some plan of conscripted credit, with incidence like that of the income tax, appears most desirable.

In short, war-finance experience calls for caution in the creation of credit purchasing power; boldness in the expansion of production; and justice in the elimination of inequalities.

HAROLD M. GROVES

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The United States and the Keynes Plan

I

IN THE EARLY DAYS of the war I proposed a financial plan for Great Britain. It was based on certain premises which should be obvious and are certainly beyond dispute. War effort on the scale required in Great Britain must swell the wages bill. For employment has increased, longer hours are being worked at high overtime rates and the wage rates themselves are rising. On the other hand, it is evident that there can be no similar increase in the amount of goods available for private consumption, since the whole object of the employment is to produce for war. On the contrary, an adequate war effort will require some diversion of the production effort which provided previously for private consumption. Thus a larger purchasing power will face a smaller volume of purchasable goods. If nothing is done about it, the sure consequence must be a rise in prices until the smaller volume of goods sells for an amount of money equal to the larger volume of purchasing power. In this way equilibrium is restored—but at the cost of two serious evils.

For, while aggregate earnings are rising, this does not mean that the earnings of everyone alike will rise. There will, therefore, be many individual cases of great hardship. In the second place, the workers will lose entirely any increased real reward corresponding to their increased labors. They will work harder, but they will consume less; and that will be the end of the whole matter. The machinery of war finance will have operated by the rise in price diverting real purchasing power away from the consumer to the profit-earning class, who in turn will transfer a large part of these profits to the Treasury and will also save out of them, chiefly perhaps in the shape of undistributed profits. Prices will rise to whatever extent is required to achieve the necessary restriction in real consumption, though the rise will have to be progressive if the war lasts for any length of time. I was able to show that all this is exactly what happened in the last war.

It means, put shortly, that at the end of the war it is the profit-earning class which owns, in the shape of holdings in the National War Debt, a claim on future production; while the wage-earning class, in spite of the extra work done, owns nothing, having lost the right to consume now and having gained no rights to consume hereafter. On top of this we have the evil and familiar social consequence of what is usually called inflation.

My prescription to remedy this was simple and straightforward. In time of war the goods available to consumers are fixed by other considerations than the amount of employment. The size of the cake which can be spared for the civilian population is more or less fixed. Thus, if by some general plan or agreement, consumers spend only a part of their aggregate money incomes, they will be able between them to buy just about as much as if they spent all their incomes, while the unspent balance will still be theirs to spend after the war when productive power can again be released to provide consumers' goods. I described this as a plan to prevent people from getting in one another's way in the shops without affecting how much or what they buy, and I compared it to the rule of the road by which automobiles are prevented from getting in one another's way without reducing the volume of the traffic or changing its destination.

In detail the plan took the form of proposals for Deferred Pay on a graduated scale, by which a suitable proportion of everyone's income was withheld by the Treasury either as taxes or as a blocked savings deposit which would not be available, generally speaking (a reasonable number of exceptions were allowed), until after the war. In the case of the richer classes the greater part of their contribution was to be withheld permanently as a tax; in the case of the working classes the greater part or the whole was to be withheld temporarily as compulsory saving and returned to them after the war. There were generous safeguards to protect those with low earnings or with large families. I give a few specimen illustrations in round numbers worked out for married men without taking account of the children's allowance of $65 per child (I have converted sterling at the rate of $5 to £1, which will give a truer comparison to American readers than the war-time rate of $4 to £1):

	Total Income	*Percentage withheld*	*Taxes*	*Deferred Income*
	$500,000	85%	$404,000	$21,000
	50,000	64	26,000	6,000
	25,000	54	10,250	3,250
	10,000	42½	2,825	1,425
	5,000	35	1,100	650
	3,000	28	460	380
	2,000	25	150	350
	1,500	22	75	250
	1,000	15	nil	150
	750	8¾	nil	65
	625	3½	nil	22
Below	625	nil	nil	nil

By this device a number of distinct purposes could be served. A considerable drag would be put on the forces driving up prices and the Treasury would obtain large funds towards the prosecution of the war without the agency of inflation. The workers would receive in

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due course a real reward appropriate to their war effort. The same plan could be employed to put those engaged on active war service more nearly on an equality with those who had stayed at home in better paid jobs. The biggest step yet would have been taken towards reducing the inequality of incomes. The safeguards attached to the scheme would actually improve, even during the war, the economic status of large families. Moreover, the post-war release of purchasing power might be so timed as to mitigate the evils of the next depression. For the debt thus created would have a signal advantage over past war debts in that the prospective purchasing power which it represents would belong to the general body of consumers and might be expected, therefore, to find its way, when it was released, into consumers' goods, and not so exclusively into producers' goods as if it mainly belonged, as on previous occasions, to the entrepreneurs and profit-earning class. Most economists agreed with me that it was a good plan. But good plans, alas, do not often commend themselves to politicians, who would have succumbed long ago in the bitter struggle for the survival of the unfit—which politics is—if they had ever formed the habit of allowing the merits of what was put before them to obscure their judgment.

II

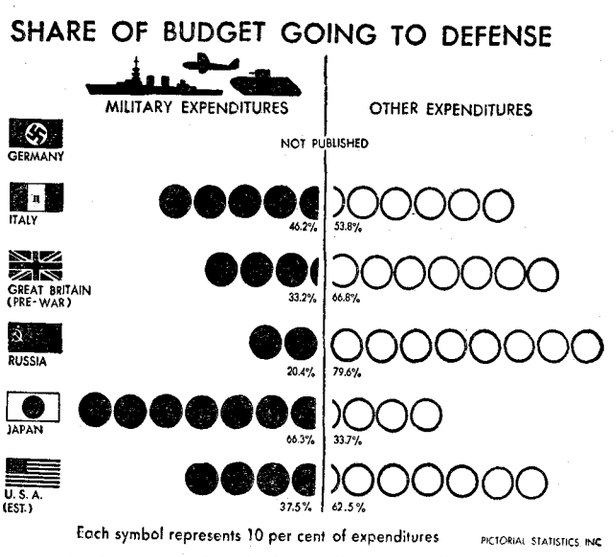
Now I am asked to say whether any version of this plan would be suitable to the United States in the present circumstances. I reply that the habit and mode of thought which lie behind it are exceedingly relevant to the American problem. My British plan is merely a particular example of a way of thinking about public finance which is of universal application. But I must add that, to the best of my judgment, the United States is still a long way off the special situation for which my British plan was devised.

In past years we, like you, have suffered from chronic underemployment. In those days I argued that the restoration of prosperity required that we should combine inducements to invest in producers' goods with inducements to spend on consumers' goods. More investment *and* more spending. But in conditions of war the facts are precisely reversed, with the result that the same principles of thought led to the opposite practical conclusion. Investment for war has not the remotest connection with private consumption and has no need of the latter to keep it going. On the contrary it was likely in Britain to reduce the supply available for private consumers. In the second place, it was certain that a scale of war investment adequate to our needs, together with the calling up of hundreds of thousands of men to the armed forces, must lead to a state of full employment, after which further war investment can only be made at the expense of normal investment and consumption. One had to expect that the requirements of war investment would be so gigantic compared with our normal scale of investment that we should be faced with the novel consequences of a pressure toward more than full employment. With the approach of such conditions, the practical advice of the economist must suffer a sea-change. More war investment and *less* private spending became the new order of the day.

Why do I say that the United States is a long way from this state of affairs? It is because I am convinced of a fact of overwhelming importance—the most important economic fact to Americans, if I am right that it is a fact, which it is possible to state.

The experiences of Great Britain after nine months of war and of Germany during her years of intense preparation confirm in a high degree the inference which might be drawn with less confidence from the comparative failure of New Deal expenditure out of borrowed funds to produce even an approach to full employment in the United States. I am aware that other explanations of the latter phenomenon are favored in some quarters; and I should concede that certain of these are not without force as accessory factors working in the wrong direction. But the main explanation of what has happened this year in Great Britain and for several years in the United States is, I am certain, the gigantic powers of production, far exceeding any previous experience, of a modern industrial economy. Coupled with institutional factors which tend to encourage accumulation and retard the growth of consumption when incomes increase, this means that an unprecedented output has to be reached before a state of full employment can be approached. Temporary bottlenecks can be reached and a lack of balance between specialized resources which take a little time and some skill to overcome.

But, subject to the necessary pangs and lags of preparation and reorganization, I hesitate to estimate the full industrial and agricultural capacity of the United States. It may well exceed 1929 by as much as, or even more than, 1929 exceeded 1914. The wealth-producing



The figures are for the last full year available, ranging from 1938 to 1940

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capacity which is now going to waste in the United States is so far beyond our powers of measurement that it is useless to hazard a figure for it. The conclusion is that at all recent times investment expenditure has been on a scale which was hopelessly inadequate to the problem, and it is not unlikely that this would have remained true, except temporarily, even if the attendant political considerations had stimulated private-enterprise investment instead of retarding it. Even if a complete harmony between the administration and private enterprise had achieved, momentarily, a satisfactory economic recovery, it would not have endured more than a few months, with institutions and the distribution of spending power what they are today. That full employment would have been reached even so, I do not believe—any more that it was in 1928-29.

It is, it seems, politically impossible for a capitalistic democracy to organize expenditure on the scale necessary to make the grand experiment which would prove my case—except in war conditions. It is thus that, not for the first time in the fluctuating fortunes of mankind, good may come out of evil. If the United States takes seriously the material and economic side of the defense of civilization and steels itself to a vast dissipation of resources in the preparation of arms, it will learn its strength—learn it as it can never learn it otherwise; learn a lesson that can be turned to account afterward to reconstruct a world which will understand the first principles governing the production of wealth and which can endeavor—a harder task—to put it to good use. In the sphere of economics and politics, the mass of men believe nothing which they have not seen, and have no teacher but experience. My own country learns nothing except by dreadful experience. Yours is the same, but is offered an easier path if you will take it.

Let me return to the details of the argument. I said that recent experience in Germany and Great Britain went to prove that we had greatly underestimated the volume of loan expenditure which is required to bring a modern industrial economy to a state of full employment. In the case of Germany the appeal must be to the broad facts rather than to exact statistics. The question is asked everywhere how Germany was able to make so vast a preparation and accumulate great stocks with no outside resources to draw upon and a vast number of men under arms. Even after allowing for the restrictions on current consumption, the enormous potential productive power of modern industry is the only answer. The experience of Great Britain after nine months of war can be stated more precisely. After allowing for the reduction in private investment, for the depletion of stocks, for the drafts on our foreign resources and for the rise in prices, the current rate of aggregate loan expenditure (public and private together) approaches, and perhaps exceeds, three times what it was a year ago; while at the same time between five and ten percent of the active male population has been withdrawn to the army. Nevertheless, we have not yet (June, 1940) reached full employment, though we may be approaching it, and the utilization of female labor has scarcely begun.

In the United States a comparable expansion of loan expenditure would be accompanied by a much greater increase in consumption than has been possible in Great Britain in war conditions, a factor which we can offset against our greater withdrawals of men to the army. On the other hand, the potential expansion may well be greater, if we allow for the elapse of a little time, than in Great Britain. In any case there will be many obstacles to a rapid expansion, as we have found to our misfortune. If there is a great increase in war preparations in the United States, the results which I forecast will not occur overnight but will be a steady process over at least a year to come which will give time, and cannot mature until it has been given time, for many readjustments.

I shall not attempt to translate this forecast into statistical terms. No one can say just how much loan expenditure is required to give full employment in the American industrial and institutional environment until we actually try the experiment. It is possible that the time may come when a further expansion in the United States could only be made at the expense of consumption. My plan for Great Britain would then deserve your examination. But I feel sure that this is a long way off. It will not come quickly or suddenly. I should not expect it unless the United States was also supporting a large army in the field, which is a contingency we need not now contemplate. We should not have reached it or approached it in Great Britain even yet, if we had not a great army on a war basis. There is, therefore, no reason why the United States Treasury should be searching out ways to restrict consumption or to stimulate saving by compulsory methods. Normal saving should be adequate without the aid of any greater rise in prices than is inevitable in the event of any large increase in output, however caused. Some increase in prices is inevitable when output increases, as a reflection of the rise in wages and other costs which always accompany such increase. It is not easy to say just when this movement changes its character and takes on the qualities of a progressive inflation, but the distinction is a real one.

Thus the economic consequences of war preparation in the United States, even on a vast scale, are likely to be, for some time at least, essentially different in character from those which confront us in Great Britain. If our war effort is to be adequate, it is necessary that we should curtail our private consumption. You are more fortunate. Your war preparation, so far from requiring a sacrifice, will be the stimulus, which neither the victory nor the defeat of the New Deal could give you, to greater individual consumption and a higher standard of life. You can still invest more *and* spend more. Only in circumstances which no one now con-

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templates is the reversal, which we in Great Britain are experiencing, likely to come to pass with you; a reversal which is only necessary when you have climbed all the way to the top of the curve of employment.

III

The problems before the United States are of a different kind. I see no major fiscal problem, no need of a special stimulus to saving or of other means to restrict consumption. On the contrary, if the expenditures now contemplated for Great Britain and the far greater expenditures required to put the American War Department in a state of full preparation, are actually fulfilled, it is certain that a great revival of business prosperity and of general consumption must follow.

The difficulties will arise in the initial task of fulfilling the orders with a reasonable rapidity, and not in the subsequent results of their fulfilment. Naval expansion, in particular, is a matter, not of months, but of years; indeed, months are likely to elapse before any large expenditures are practicable. In other directions we can hope for much more rapid results. It may be that the modern American engineer knows how to move quickly. But hitherto all experience goes to show, not least in the United States during the last war, that there are many preliminary troubles to overcome before a new type of mass production can be put into rapid motion. Thus the effective rate of expenditure in the near future may be disappointing.

The best thing that can happen at this stage of expansion is a sufficient confidence that large expenditures on war preparations will mature eventually, to induce American industry to prepare now by a prospective increase of inventories and by a greater production of durable consumers' goods, such as houses, against the time of a material increase in consumers' purchasing power. But, as recent experience shows, this also has its dangers in the volatile, indeed light-headed, atmosphere of American business. For the preparations run a risk of sudden reversal if they step too far ahead of the more fundamental developments. The American forecaster seems to swing uneasily between trying to peer into the inscrutable distance and refusing to take into account any factor which is more than a week or two off; which is a serious obstacle to stable progress. If I am to risk entering this uneasy business myself, I should advise that the safest course is to be found in a strong and steady optimism which does not expect too much soon but does not doubt the eventual outcome.

And perhaps that is good advice to us all.

IV

A problem of another kind remains for your attention—a task whose significance for America's future comes next in order to the primary duty of throwing the material resources of the United States into the struggle against the powers of evil and destruction.

Let us suppose that the preparations for war now set on foot do indeed restore a measure of prosperity which has not been seen for a decade. You will find yourselves ill prepared for the attendant problems. Almost every contemporary social policy is directed to an environment which will have disappeared overnight. Yet the new and unfamiliar aspects of the social scene will present not less strenuous brain-twisters. Is the war boom to be just like any other boom—like the last war boom in fact—an orgy of profits, gambling, soaring and disproportionate wages and prices? A hectic episode of no lasting significance or value, carrying the seeds of later chaos?

I was nursing higher hopes than that when I said that this emergency might result in your making the grand experiment, which would never be made otherwise, to discover what level of total output accompanied by what level of consumption is needed to bring a free, modern community having the intense development of the United States within sight of the optimum employment of its resources. Is it vain to suppose that a democracy can be wise and sensible? Must the poison of popular politics make impotent every free community? So much hangs on the issue that it is our duty to believe that we can do what we should, until the opposite is proved.

The first condition of a successful outcome is a moderation of mind and speech on both sides. It is only by a gradual evolution of institutions and of business organization and of the instruments of government that the transition can be made. Recrimination and old hates are out of place. The reformers must believe that it is worth while to concede a great deal to preserve that decentralization of decisions and of power which is the prime virtue of the old individualism. In a world of destroyers, they must zealously protect the variously woven fabric of society, even when this means that some abuses must be spared. Civilization is a tradition from the past, a miraculous construction made by our fathers of which they knew the vulnerability better than we do, hard to come by and easily lost. We have to escape from the *invalidism* of the Left which has eaten up the wisdom and inner strength of many good causes.

The old guard of the Right, on their side, must surely recognize, if any reason or any prudence is theirs, that the existing system is palpably disabled, that the idea of its continuing to function unmodified with half the world in dissolution is just sclerotic. Let them learn from the experiences of Great Britain and of Europe that there has been a rottenness at the heart of our society, and do not let them suppose that America is healthy. But I am traveling far from my brief. . . .

J. M. KEYNES

London

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Can We Afford the New Deal?

HERE IS A FAMILY with five able-bodied sons working for its support. Three are employed in the mills. One is employed on the roads. One is at home jobless and discouraged. Suddenly there is a knock at the door. "Quick, my boy, your country needs you. Put on your coat and hustle to the navy yard; there is work for you there!" But as he hustles down the street he meets his road-making brother coming home, pick on shoulder, gloom on his face. "I've been fired," he says. "They can't afford us both." So the road-maker goes back to the house to sit jobless and discouraged. The moral of this story is: Never use all your manpower in an emergency; it is too expensive.

The New Deal in one way and another has provided work for perhaps three million persons, more in some years, fewer in others. This has helped to keep other millions employed in private industry. Despite this stimulation, an average of ten million Americans have been chronically without work. Congress at the President's request has just voted many billions for defense. It is now proposed in orthodox circles that New Deal employees either take jobs in the defense industries or go home. It is a time for stern sacrifice, they say, and we cannot afford both kinds of work. The net effect of the proposed action would be to leave the economy still on part time, with unemployment but little reduced.

What is this New Deal which is to be pitched out the window? I mean, what is it really? It is really nothing but a phrase—which I, among others, have been accused of originating. It is a noise you make with your vocal chords. You would have a tough time trying to take a photograph of the New Deal. It is a loose label applied to certain laws passed by Congress since March, 1933, plus the administration of both new laws and old.

How many items on this list can profitably be scrapped to promote the defense program? A number of them cost little except for administration expenses. If the SEC, the Wages and Hours Administration, the Hull trade treaties and certain others were boarded up, the actual money saved would be negligible compared with the defense budget.

Certain other projects on which large sums are spent, liquidate their costs either fully or partially. They do not represent good money poured down the sewer. This applies to the RFC (and you had better not tangle with Mr. Jesse Jones by calling him a waster and a spender) to the HOLC, the FSA and the REA. It applies in part to the housing and PWA projects. The TVA and Boulder Dam will pay out over the years, at the rate they are going. The Social Security Administration is so much more than self-liquidating that it now collects far more in taxes than it distributes in benefits. To close all these agencies in the interests of economy is to bite off your nose and spite your face.

The real spending comes in the WPA, farm subsidies and benefits, the CCC, the NYA, in part of the PWA. If you eliminate work relief, farm relief, youth relief and soil relief, you can save some real money. But at the same time you will kick the national income downstairs. You can do it by cutting off help from the unemployed, the farmers, the youngsters and the soil of North America. Some people think that this is the way to beat Hitler, but I doubt if Hitler thinks so. My guess is that such a program would be worth about fifty divisions to him, if and when a showdown comes.

What orthodox critics fail to grasp is that an economy on part time behaves differently from an economy on full time. If we had no unemployed men, machines or money, a big defense program would have to be chiseled out of other activities. Men would stop making automobiles in order to make tanks. Factories would give up producing toilet soap and go in for nitro-glycerine. Capital wanted for expanding the textile industry would be shunted to the machine-gun industry. Consumers would tighten their belts; hours of labor would be lengthened; inflation would become an omnipresent threat. This has been precisely the condition of the German economy for five years. In such case, any government work-relief projects would of course be abandoned, if their only object was to provide for a small number of workers not occupied in private industry.

Full capacity is not the condition of the American economy in 1940. It has not been since 1929. For eleven years our economic system has been on part time, subject to a different set of rules. Today about 20 percent of its available manpower is without work, perhaps a third of its plant facilities are not in production, while billions of dollars lie in idle bank deposits, with excess reserves at an all-time peak. In brief, the economic system has an enormous margin before existing activities need to be stripped of manpower or capital. There is no danger of a runaway price inflation until unemployment drops under the two million mark. Some bottlenecks are to be found here and there in prices, in materials and in the skilled labor supply, but the economy as a whole sags like a partly filled balloon. We have the men and materials to do practically anything we want, and on a gigantic scale.

To bring the American economy to full capacity would require an increased annual expenditure of at least twenty billion dollars. The present defense program is far short of this figure, and even if Congress should appropriate the sum, it could not be spent in

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the next year. It will take months just to work through the blueprint stage. Nothing on the horizon indicates that more than five billions will actually be spent in 1941, unless we should go into a full-out war. Five billions will put more gas in the balloon but it will not fill it. Assume that it will add four million jobs, thus reducing the army of the unemployed from ten millions to six millions. Good. But now come our orthodox friends who contend that if we spend for howitzers we must cut down on houses. Following their advice, we eliminate the agencies listed above as heavy spenders, and so throw perhaps two million men and women out of work. The unemployment army goes up again to eight millions.

What happens if the WPA and the rest are not eliminated? Peacetime outlays for schools, roads, houses, conservation, continue at their present rates. To them we add the defense outlays. The economy is still far from full performance, but more active than at any time since 1930. If in 1942 ten millions should actually be spent for defense, by the end of the year full performance might be in sight. Then, some time in 1943, we could decide how much of the New Deal spending for relief could profitably be eliminated.

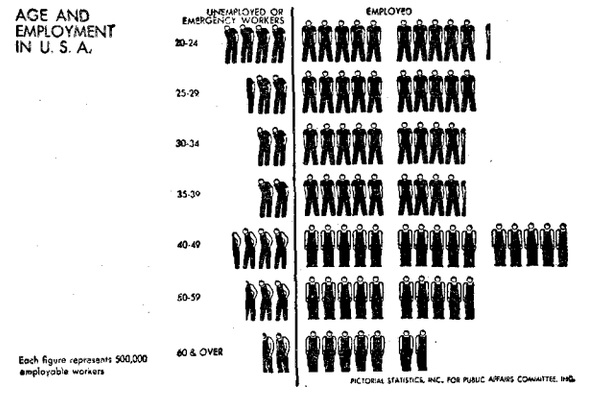
This is all kindergarten stuff, in the physical frame of reference. We have the men, machines and materials for the New Deal, the defense program, and then some, for two or three years to come. We have the money, too, in idle bank balances. But to borrow the money increases the federal debt and the interest burden. The Roosevelt administration has been running deficits of about three billion dollars a year. Add five billions for defense, and up she goes to eight billions. How long before we'll go bankrupt at that rate? The faces of bankers blanch. "We can do it, but we can't afford it!" they cry. Money comes first in their calculations, men second.

At an annual deficit of eight billions, it would take at least five years to reach the per-capita debt of Britain before this war began. Britain was not bankrupt, and neither should we be, even with a federal debt of a hundred billions. This debt would not be a reason for dancing in the streets, but we could bear it if we had to.

We do not have to bear it. We can take the idle money instead of borrowing it. Why not slap a good, stiff income tax on those of us who save and have no outlets for investment—on both individuals and corporations? Congress has already moved in that direction. It should move farther—broaden the base of the income tax, stiffen the rates, go after corporate surpluses, excess profits, after every idle dollar in the economy. Take it and spend it for defense; make it perform the real function of modern money, which is to move.

Such a program, besides restraining the national debt and helping to balance the budget, is less painful to taxpayers than it sounds. Which would you rather pay: a $500 tax on a $5,000 income, or a $2,000 tax on a $10,000 income?

This simple little lesson in the dynamics of finance is one that Americans must shortly learn. It is objected that you can't eat your cake and have it. But you can in this case. If we stimulate a part-time economy to



From "Jobs Over Forty," by Beulah Amidon, published by the Public Affairs Committee, Inc.

full-time performance by a tax on idle funds, we can have more production and higher living standards, and at the same time build batteries of pyramids or tank factories or dams or what have you. If there are a great many idle men, as there are in this country, they can make *both* guns and butter.

If American business men do not understand this, I can assure them that Mr. Schacht does. He has been operating on this basis for many years. It is Mr. Schacht you are up against now, gentlemen. He is the pacemaker, not the kindly ghost of Adam Smith.

Let us return to our family of five brothers. Two of them have changed places and the family is no better off, perhaps a little worse. If for every man employed in defense work we fire a man employed in public works, the economy continues to operate on part time, with the inevitable accompaniment of hopelessness, want, malnutrition and general social debility. We go right on gathering the grapes of wrath. We shall get some guns but no improvement in the morale of the men behind the guns.

The morale of most citizens has a direct relation to their feelings about their work. They like to feel that they are doing something useful and being adequately paid for it. For the first time since 1918, the country has a chance to make most of its citizens feel this way. They can feel that they are helping in a crisis, and that the government is taking an interest in their services and in their welfare. They can feel that they belong. Scrap the New Deal social legislation, disregard the welfare of citizens, throw many of them back into unemployment, and their morale will distintegrate in proportion. But add the defense employment to the existing social controls, and national morale will rise. We must make it rise if we are going to meet a real national crisis.

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Fighting for a social system doomed to chronic stagnation is not good enough. Fighting for ten cents an hour in a sweat shop is not good enough. Fighting for a right to a dole is not good enough. We are faced with the problem of survival, as the interventionists say, but not in the way they mean. Most of the New Deal measures listed above are in the interest of community survival. Without them the economy would have foundered in 1933. Perhaps the fairest criticism against them is that they did not go far enough. The safe and sound notion that we can no longer afford them seems to me like an invitation to community suicide.

This is not to say that the measures might not be improved, or that some might not be dropped entirely. I see little future for Mr. Hull's trade treaties, for instance, in the world we are entering. Wages-and-hours limitations in certain bottleneck industries may need to be modified. The orthodox chorus is not after specific modifications based on the facts in a given plant; the chorus is after the abolition of all social regulation on principle.

The country can afford the measures listed above as components of the New Deal. The country must have most of them, or something akin to them, in the interest of community survival. The movement to abandon them is being led by the United States Chamber of Commerce and other business groups. Somebody should tell them a few home truths, such as:

Gentlemen, you are apparently trying to use the present emergency to break the back of the New Deal. By arguing from a monetary rather than a physical frame of reference, by pretending there is no such thing as involuntary unemployment, by assuming a nonexistent, full-time economy, you can make out a case which sounds pretty reasonable. It may convince many people. But it is a house of cards, a paper argument, unsupported by the facts of the actual world.

If the institutions of private enterprise are to continue, you cannot afford to fool yourselves; you must reckon with realities as never before. Do you realize that you constitute the last considerable group of independent business men in the world today? Do you realize that, for one reason or another, every other nation has found your individualistic methods inadequate in crisis, and has largely discarded them? Look at Europe, Russia, Asia, South Africa, Australia, Canada to the north of you, Latin America to the south. Do you realize that you are now on trial for your lives, and that this may be your last chance on any stage?

Most of you are capable and honest men. One is loath to see you go down before the bureaucrats *en masse*. But so many of you act like blind men. You fight against the exigencies of historical change. You fight in effect to destroy your system and your class. This is a great pity, for the country needs your abilities. Just a little wisdom on your part, just a little sense of history, just a glance at the handwriting on the wall, and you might go on indefinitely playing a large and useful role in the American economy.

The New Deal is not the evil brain-child of Mr. Roosevelt and his advisers. It is the bow of our economic system to the power age and the compulsions of history. It is a safety valve which protects us against the explosion of totalitarianism. There is plenty of room in the nation for both private business and the measures called the New Deal. You can get along together. It was done in Sweden for many years. But if one or the other has to go in this critical period, it will not be the New Deal.

STUART CHASE

Cutting the Cost of Preparedness

THE UNITED STATES has now begun the most important task of its whole history. It is attempting to create adequate armament for self-defense in the face of the greatest danger it has ever confronted. There is still an open question whether this country can produce enough airplanes, tanks, coast-defense artillery and other equipment, and train the men to use them, within the time at our disposal. A good start has been made—better perhaps than in the World War. But of course it is the follow-through that counts. What are some of the principles that we should be guided by in this endeavor? What lessons have we to learn from our previous but far less taxing experience in 1917-18?

What happened twenty-three years ago has lessons for us both on the positive and the negative side. On the positive side, among other things, is the fact that we did produce a very substantial amount of war material, after we finally got going, without permitting prices to run away, and without any serious diminution of the general standard of living. We did this, moreover, at a time when we were already in something of a boom because of military orders for the Allies before we entered the War. Yet there are some factors of a negative character. Our war effort at that time cost us enormously more than it needed to—perhaps two or three times too much, if the European experience is any sort of guide. We made vast promises which were not carried out. We wasted many millions of dollars even though we did avoid those blatant scandals which marked the record of the war with Spain in 1898. Skilled labor already at work on one essential

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war job was hired away to be used on another, perhaps not so essential. By lack of intelligent foresight we did our general economy great harm, a harm for which we had to pay with the depressions of 1921, 1924 and the eleven years beginning in 1929. In spite of inspiring performances here and there and the valuable over-all aid to our Allies at a critical moment, on the whole we have no great reason to be proud of our war preparation last time. Is there any justification for the hope we shall not do the same thing again?

One great weakness of the American war effort last time was that the people preparing to fight couldn't make up their minds what was confidential information and what was not. As a result, some things were permitted to be known that should have been secret, and a good many things were kept secret—and exempt from criticism—that might just as well have been known, and were almost certainly already in the hands of the enemy. This false and needless mystery curtailed much sound and healthy criticism. A great deal more criticism was muzzled by the law which made it a penitentiary offense to utter anything tending to discourage the conduct of the war—a phrase that was loosely interpreted to cover all criticism. If we had had sense enough not to pass that measure, we could have saved ourselves many headaches and probably a great deal of money. I note with regret that a similar law slipped through both Houses of Congress and was signed by the President only the other day, as a rider on an entirely different measure, one requiring aliens to be fingerprinted and registered. We shall be lucky if we don't live to regret it.

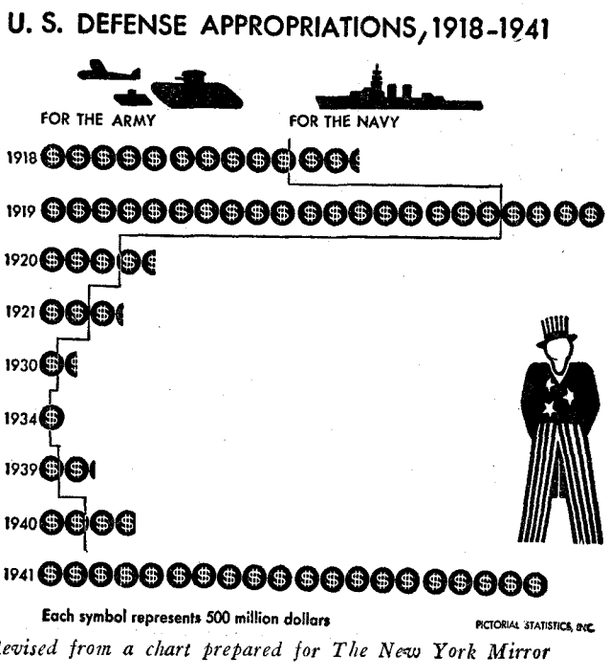
When it comes to the matter of profiteering, the details of policy must be laid down mainly by Congress in the form of limitations on profit and special taxes. The broad underlying principles, however, are a matter for the attention of the country as a whole. There are two popular schools of thought, both of which seem to me to be wrong. One says that we must permit industry to make unlimited profits in order that capital shall have the proper incentive to take the risk. The other school says that when our young men are running the risk of having to lay down their lives in defense of their country, industry should work without any profit at all.

If we operated in a socialist economy, there would be much merit in the second of these contentions; but our industrial organization is based on private ownership, which is based in turn on the expectation of profit. A firm which does not estimate its costs accurately so that all of them will be met or more than met by its selling price soon has to go out of business, so that there is no production of goods. If the goods happen to be airplanes, tanks, guns or shells, the result to the country may be catastrophic. What we need as social policy is enough profit to induce private manufacturers to take government contracts, but not enough so that they are able to profiteer. Probably a good deal of rule-of-thumb operation by government officials will be necessary, varying from one industry to another and according to special circumstances in each case.

One thing we don't want is simple reliance on simple cost-plus. We have learned by the painful experience of last time that cost-plus opens the door to fantastic profiteering. Payrolls and other expense items can be padded with vast illegitimate expenses. Moreover, everything depends on the rate of turnover of capital per year. Thus 10 percent on the cost on each operation may easily be 100 percent per annum on the capital invested.

The effort to prevent profiteering last time was hampered because American business firms did not have identical bookkeeping methods and their figures could not be compared with one another. In 1917, only 10 percent of our economy was on a comparable basis, whereas when Germany went to war in 1914, 90 percent of her firms kept practically identical books. American accounting methods have now been standardized in large degree through the necessities of income and corporation taxes, but our methods of keeping cost figures are still chaotic. One of the urgent needs is that costing should be standardized, preferably through the National Association of Cost Accountants. Leon Henderson has the training and experience to direct such an effort. This reform would be of permanent and inestimable benefit to American industry, since it is only through standardized costing that the cheapest—which is usually the best—way can be determined.

One war procedure, since abandoned, should be restored for the national-defense program, and that is the army's coördinated Service of Supply, known as "Purchase, Storage and Traffic," or more familiarly as



Revised from a chart prepared for The New York Mirror

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"P. S. and T." For some reason the War Department has chosen to go back to the primitive organization of seven independent branches, which will get into a hopeless muddle when subjected to a real strain. In the handling of materials, the Service of Supply was divided into three parts which might well be restored: inland transportation, storage and ocean-going vessels. Presumably we shall not be sending an army to Europe, but we shall be transporting great quantities of goods along our coasts and perhaps even to Central and South America. An important question that will need to be studied is the efficient utilization of cargo space. In the last war we discovered that out of about 100,000 articles required to be shipped, 95 percent of the demand was for only fourteen items. Just one of these fourteen—baled hay—at one period represented 65 percent of the demand for space. It required heroic effort to get this hay repacked on the Hoboken dock by cotton compresses and to obtain ships specially fitted out to meet other particular requirements.

On all sides one hears people saying that in the great national emergency labor will have to give up some of its rights, will need to work a longer day and a longer week. The individuals who talk like this know nothing whatever about the length of day and week that result in maximum productivity. Their views are often based on a puritanical desire to see other people, of whose lives they are ignorant, work harder because there is a vague and generalized impression that labor nowadays is slack and inefficient.

One of the real achievements of the last war was the general order No. 13 issued by Major General William Crozier, Chief of Ordnance of the United States Army, internationally recognized as an authority on management. (There was a similar order of the Quartermaster General.) General Crozier's order said in part:

> In view of the urgent necessity for a prompt increase in the volume of production of practically every article required for the conduct of the war, vigilance is demanded of all those in any way associated with industry lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down.
>
> It is a fair assumption that for the most part these safeguards are the mechanisms of efficiency.
>
> Industrial history proves that reasonable hours, fair working conditions and the proper wage scale are essential to high production. During the war every attempt should be made to conserve in every way possible all of our achievements in the way of social betterment. But the pressing argument for maintaining industrial safeguards in the present emergency is that they actually contribute to efficiency. To waive them would be a short-sighted policy, leading gradually but inevitably toward lowered production.
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> It might be expected that an individual working ten hours a day instead of eight, or eleven hours a day instead of ten, will turn out more goods. He can and doubtless will, for the first few days. But experience shows us that in a few weeks or a few months, the output will be the same or even less than it was during the shorter day.
>
> . . . The British experience has shown that lengthening hours reduces output and increases the sickness rate and the loss of time through irregular attendance. It has shown also that hours of labor must be adapted to the age and sex of the worker and the nature of the occupation.

General Crozier went on to recommend a working day of not more than ten hours under any circumstances, and not more than the standard already reached in the industry and the community. He urged that overtime be kept to a minimum and that, in continuous operation, there should be three eight-hour shifts in a twenty-four-hour day. On a basis of experience, he advised a half-holiday on Saturday, one full day of rest in seven, the observance of national and local holidays and rigorous care to establish and preserve desirable working conditions.

It goes without saying that on top of all this, full machinery must be established through which to investigate and settle promptly all disputes between workers and employers in industries engaged in war work. The National Labor Relations Board is not authorized to fulfill this task, although certainly its activities are even more useful in a time of crisis than when things are normal. It has been proved over and over that you cannot get maximum productivity if workers are dissatisfied. The most effective way to guard against delays due to "labor trouble" is to adjust grievances as early, and as near the spot where they arise, as possible. Strangely enough, American industry in the main is without such machinery. To eliminate grievances it is necessary to practise rational—sometimes called "scientific"—management. Even such seemingly irrelevant matters as the quality of the housing for workers' families may play a great part in determining morale.

More immediately important than anything else is the utilization of mass-production methods on such items as airplanes and tanks. You might suppose that at this late date no one would need to be persuaded of the efficiency of assembly-line procedures on these items, but unhappily that is not the case. In 1917 Congress appropriated $3,000,000,000 "to make the sky dark with airplanes." Let it be remembered for the record that not one plane bought with that money ever left the ground in the war area. Among the reasons was the fact that perfectionists in the army and navy air services kept changing designs so that it was never possible to get mass production really going. On the manufacturing side there was a failure to utilize generally recognized planning techniques. There was also some plain, garden-variety crookedness.

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We have a grim reminder of the importance of this lesson in the destruction of France in thirty-seven days. American newspapers on July 6 of this year carried reports by American airplane experts telling why the French production of airplane engines had utterly failed although the factories are some of the best in the world, and under the Germans may produce as many as 1,350 airplane engines a month. Says the Associated Press dispatch:

> The Americans said that one large factory in the south of France was ready in January to start turning out 250 engines a month but never produced one because of the constantly changing specifications.
>
> Another modern plant near Paris, the engineers reported, was ready to start production of a French-type engine in January, had American tools installed for the work, and then failed to produce because the government decided to make English-type motors which required other tools.
>
> In another instance, the Americans said, an American engine was approved for production after long study, but insignificant alterations were then demanded, which required such extensive changes in the tool machinery that none was manufactured.

The United States is in substantial danger of repeating the French experience today. Not only do the army and navy engineers fail to settle upon standard types that can be produced on a belt line, but they do not even make the preliminary studies of belt-line production which are required in advance and could be carried out without interrupting the current program or "freezing" design.

I expressed some views on this general question in a recent address at the Institute of Labor of Rutgers University, and since I have not changed my opinion, perhaps I may be permitted to quote from that address here:

> The President estimates that we shall need 50,000 planes in the near future or shall require "an annual output of 50,000 planes"—a somewhat easier order. The most casual figuring shows that these requirements cannot be met within the time at our disposal by the incremental process of change in any one plant, or by multiplying the number of points at which planes are manufactured under the current process now completely obsoleted by events. . . .
>
> Assuming that 50,000 war planes could be produced in the period of time now at our disposal under present methods—an impossible assumption—they would cost from $7,500,000,000 to $9,000,000,000 at current prices. It is now argued that this number manufactured under appropriate modern assembly-line and other conditions may be produced for say, $5,000,000,000, or at a "saving" probably topping $3,000,000,000. This will mean new buildings designed for continuous production, simplification and some standardization of design—not too "wooden" of course—techniques of assembly corresponding to those found in other modernized industries—notably the automobile industry—and the substitution of new methods and processes for all those inconsistent with mass production. . . .
>
> Had we known even a few years ago that the present situation would develop, it might still have been unwise actually to produce many more planes than we did. But we might well have spent $5,000,000 or $25,000,000 in developing the techniques, processes, structures and mechanical appliances which, put into operation today, would yield the product which the present emergency demands. It is even now not too late to do this while allowing all present warplane manufacturers to proceed at full speed.

The tasks now confronting Washington are of an extraordinary character. The experience of the last war proved that the normal processes of the civil service were entirely incapable of providing a sufficient number of men, or any men at all, of the caliber and personality required to direct the various parts of this task. One of the big jobs today, as it was before, will be to find and then utilize, within and without the military service, the executive personnel to carry out our program. To be most effective, these leading men should have experience wider than a single enterprise or even a single industry. They should be so sympathetic with the democratic process as to recognize government as the agent of all the people and not of a ruling class. They must be able to accomplish their ends because of a functional responsibility rather than through authority. These are specifications ranging beyond those normally required for a successful business career.

There is one thing that should be kept constantly in mind, although in the last war it was forgotten far too often. It is that there is a whole cost for national preparedness and a net cost. If we can conduct this enterprise in such a way that some of our present institutions have been improved by it and new and socially desirable ones have been created, then from the standpoint of the United States as a continuing concern, the real cost of defense will be the outlays for preparations less the value of the improvements and additions to our institutions. One of the problems we can solve if we have the will and intelligence is unemployment, which still overshadows our whole economy after eight years of sincere effort to solve it. I do not think—even though my good friend John T. Flynn has quoted me to the contrary—that war orders as such will necessarily aid in solving our long-time unemployment problem. But I do feel that in executing billions in war orders we may learn a technique for deploying American manpower in such a way as to change, radically and permanently, our unemployment outlook.

In short, national military preparedness can be achieved in various ways which involve varying degrees of social gains and losses. It will be our own fault if we conduct our operations with a minimum of gain and a maximum of loss.

MORRIS L. COOKE

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The Political Price of Preparedness

THE FIRST response of the American people to the war danger was to sanction the appropriation of huge sums of money for the army and navy, along with an increase in taxation. Necessary and natural though this was, it would be folly to think that making the nation secure is merely a matter of spending money. The price is sure to be more inclusive than that. What political sacrifices will it involve?

There is a current belief that a nation cannot successfully fight fascism without itself becoming fascist. This belief is exploited in two opposite directions—by those who would keep out of war at any cost, and by those who want some kind of fascist dictatorship. It is supported by a simple and persuasive logic. The essence of fascism is total concentration on war or on preparation for it. The essence of democracy is peace, individual freedom and good will. Democratic states are therefore certain to be beaten by fascist enemies. They are too inefficient, divided and good-natured to survive in a war culture. The only way to preserve democracy is to remain at peace, and the only way to win a war, if fighting cannot be avoided, is to go fascist. Recent history is cited to confirm this conclusion.

But it is, for us at this moment in world history, a defeatist conclusion, and perhaps the strongest ally of Hitler and Mussolini. It leads a large number of people in this country, especially young people, to oppose not only entry into the war—a policy which may well be justified on many grounds—but anything like adequate preparation for resistance. This road, as European experience clearly shows, leads straight either to defeat in war or descent to voluntary vassaldom. (*Vide* Denmark, Norway, Sweden.) The conclusion also prepares the way for a large number of other people to exercise their naturally fascist tendencies by using the emergency as an excuse for a sapping of democratic rights and processes. When any proposal of this sort is made, many of those who would normally object shrug their shoulders and say, "Oh well, this is what we must expect when we go in for militarism." Once convinced that democracy cannot defend itself by arms, we either lose it by weakness against the aggressor or toss it away in the process of defending it.

Defeatist or not, the conclusion may turn out to be true. Many, including this writer, have pointed out the peril in the past. But there is no reason to think that descent into fascism is inevitable, or that there is no point in preferring a successful war of defense to submission. Democracy may indeed be betrayed by those who are always ready to turn its energies to military preparedness against illusory dangers. But there is a profound difference between a fear of unreal peril, used to enforce unprovoked aggression, and defense against a real attack. The first is a neurotic symptom, of the kind that we recognize as fascist; the second is a wholesome and necessary act.

The difference at heart between a sick fascism and a healthy democracy is not that one is combative while the other does not have and never employs any fighting power, but that in the first case aggression is neurotically reinforced and is used inappropriately, while in the second case it is called forth only in the presence of actual danger. It is risky to speak of nations as if they were individuals, but something like this is true at least of separate persons. The man who sees enemies and conspiracies everywhere and devotes his life to intrigue and murderous combat is insane. But the healthy man is not one who represses his aggression so rigidly that he will not and cannot fight under any circumstances. Nor is he incapable of returning to peaceable life when the fighting is over, just because he can be combative when assaulted.

I am not one of those who is so bemused by semantics that he thinks all words are deceptions and there is no reality. Fascism and democracy are both genuine entities, and the second is infinitely preferable to the first. Nevertheless the two words are commonly used by persons who understand neither. If we are to know in any positive sense whether we must sacrifice democracy in order to prepare to fight effectively, and if so to what extent, we shall have to get down to cases. What does mobilization require?

Military Mobilization.—A navy and a small army may be maintained by voluntary enlistment, but if, as is possible (and the plans of the administration are already laid on this basis), we shall need to organize an army of 2,000,000 seasoned men, with adequate reserves, it will be necessary to resort to conscription and compulsory military training. I have deliberately used the harsh words instead of the more polite, though in certain respects more descriptive, terms of "selective service" and "universal training." The practical reasons for these measures have previously been stated in our pages and are compelling. The first is the mere matter of getting enough men quickly enough. The second is the need for getting the right men and assigning them to the right jobs, while leaving in civilian life those who are less fit and those who are required by war industries. Finally, thorough training is necessary far in advance of any possible hostilities in modern warfare. The chief hesitation in embarking at once on such a plan is the doubt whether efforts to equip a

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great army might not interfere with the desperate need of Britain for those munitions we can now make.

Are conscription and compulsory service undemocratic? Norman Thomas has recently testified that they are fascistic. That, it seems to me, is an inexcusably loose employment of words. Our Revolutionary War was, to be sure, fought with volunteers, many of whom deserted and went home whenever they felt like it, though Washington disciplined his men with far more brutal measures than would now be permitted. Long before fascism was ever heard of, Abraham Lincoln resorted to conscription in the Civil War. That measure was undemocratic in one important respect, because it allowed people with money to buy their way out by hiring substitutes. Conscription was employed by us in the last war, as by almost every other nation then and since, no matter what its form of government. Compelling men to serve in the army in time of war or threatened war is undemocratic if one means by democracy unrestricted individual liberty. It is the essence, however, of the type of democracy that emphasizes the welfare of the community and equality of obligation. Recruiting an army by force is tyrannical if the decision to do so is made by a tyrant, but if it is voted by a democratic government it can scarcely be called a dictatorial measure. Gallup polls have already indicated that a large majority of the citizens favor the proposal, even in families containing men of military age. And a majority of men of military age themselves favor it. In these critical times, if the controlling principle is to be supremacy of the classic rights of individuals and minorities rather than the national need as determined by the majority, democracy is indeed doomed.

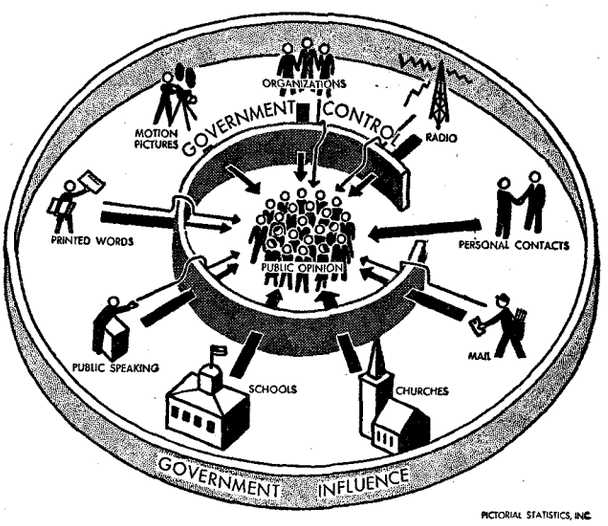
A military force is by nature and practice undemocratic in its rule. Orders must be unquestioningly obeyed; authority descends from the top. Serving in it is a tough experience for an individualist. But when, as on a ship in a storm or with a party in the wilderness, survival demands submission to discipline, sensible democrats have always done so. This is as truly a part of historic American life as is the New England town meeting.

The real difference between democracy and its opposites, when it comes to the military, has nothing to do with obedience to the orders of a duly constituted superior. It does have to do with the choice of that superior. Democracies can be betrayed by an autocratic military caste or even by individual officers subservient to anti-democratic groups. It is essential that our armies be officered from those close to the people, by those who believe in the cause they may have to fight for. And an army composed of citizens, who return to civilian life as free men, is not at all the same menace to democracy, either in war or in peace, as a soldiery permanently dependent on the profession of arms. If democrats control the government and compose the army, neither preparedness nor war itself need endanger our institutions as far as the military are concerned.

Industrial Mobilization. – Nothing is more fatal to efficient preparation for modern war than the exercise by individual business men or corporations of the right to do just as they please in production and distribution of goods. Anyone who proposes that industrial mobilization go ahead on the principle of business as usual and without interference with private enterprise is more dangerous than a fifth columnist. It was this sort of spirit in France that wrecked the effort to produce munitions in large enough quantities, and even Britain did not get down to the job until after the defeat in Norway. There is no need to argue such an obvious point.

To those who identify democracy with free private enterprise, therefore, efficient preparedness means surrender of liberty. But there is another sense in which private enterprise is not democratic at all; great aggregations of business which are not subject to the will of the citizens in their major decisions may be the most irresponsible of rulers. Of course, business cannot be run efficiently by popular vote, but when business is submitted to expert planning in the interest of the sovereign needs of a democratic government, there is a gain in democracy, not a loss. This would be true even in peace. When in a time of national peril, a great industrial concern like the Ford Motor Company can at

WAR AND PUBLIC OPINION



When, under the impact of war, public opinion is prevented by censorship from knowing the facts, government may be able to control the press and books, public speakers, schools, churches, motion pictures, radio and the mail. But there is always a way through which enemy poison may enter the body politic unchecked—the gateway of personal contacts. This can be used by those who propagate rumors—honest or dishonest—by secret radio stations, by clandestine sources of other kinds. The people, knowing that censorship controls the usual channels of information, are more susceptible than ordinarily to this type of suggestion. But if substantial freedom prevails in all the channels of information, people pay less attention to rumor, and rumor can be counteracted. – THE EDITORS

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the will of one man decline to make warplane engines, what is illustrated is not democratic individualism but the existence of a populous and powerful enclave within our state, ruled by an independent autocrat.

The same principles apply to mobilization of purchasing power through taxation or borrowing, to rationing of materials, to control of prices and profits. Under a system in which industry is not formally the property of the state we cannot conscript wealth in the crude sense of forbidding profits, but neither can we wait for wealth to volunteer. Selective service at limited stipends is as applicable to the economic order as to manpower, and is not undemocratic if democracy wills it for its own survival.

Mobilization of Opinion.—A total war is as much a matter of ideas and emotions as it is of mechanical weapons. Factionalism, rumors, the spreading of confusion and defeatism, are deliberate tactics of the enemy. Must we then mobilize and conscript opinion as we do soldiers, industrial capacity and wealth? Must we renounce freedom of the press and opinion, and put dissenters in prison or concentration camps? Must we install a one-party dictatorship?

Military censorship is obviously necessary, in the sense of keeping from the enemy such facts and plans as can be held secret and would be of advantage to him. Beyond this, the suppression of ordinary civil liberties weakens democracy as much in war as in peace. This has been illustrated in Britain and France during this war. Britain maintained her free institutions, except for action against actual traitors and spies. The result was that public opinion was able to discover the dilatory and lax methods of waging the war, and overthrow the government responsible. It may have done so too late, but at any rate the job was advanced rather than retarded by freedom of opinion and by a continuance of parliamentary government. Britain also has a powerful national unity in her present crisis, although everybody has been allowed to listen to Nazi radio stations, and the papers could express what opinions they pleased. The citizens have confidence that they know the facts, and are immunized against defeatist propaganda by exposure to it. France, on the other hand, carried censorship to the limit and installed dictatorial measures as soon as the war broke out. The result was that inefficiency and treason flourished without check in high places, that the people were filled with doubts and fears, and that false information and rumors spread unhindered beneath the cover of officially imposed ignorance.

Wartime suppression of opinion in a democracy almost always hits either those who are harmless because of their obvious connection with the enemy or those who are sincere and patriotic in their opposition. But it overlooks and often actually shields the more important traitors and defeatists. Does any sensible citizen suppose that the national unity for defense can be seriously endangered by self-proclaimed Bundists or Communists? Or that a dictatorship of opinion would put Henry Ford or anti-democratic congressmen behind barbed wire?

What is most required here, as elsewhere in the national effort, is positive rather than negative action. We need mobilization of opinion about the national aims, based on full information concerning the facts. Those who achieve leadership in the free forum of discussion by inspiring confidence are those best fitted to effect this mobilization.

It is necessary above all that those who believe in the positive aims of democracy, those who wish to extend its power and vitality, take over the lead from those who give it lip-service but really fear it and wish to limit it. The true American tradition is not one of static worship of the past, of conservatism, passivism and retreat. The same forces which are resolved on shaping our economic order and our social life for democratic ends are those which must mobilize the nation for defense, if democracy is to be served either in war or in peace. To lay aside democratic purposes in order to defend the country against attack is to court defeat. Preparation for defense is an integral part of the task of fulfilling democracy at home. Let us not allow our government to slip into the hands of our Baldwins, Chamberlains and Lavals, or our army into the hands of our Weygands and Pétains.

GEORGE SOULE

IN AN article in the English quarterly *Scrutiny*, under the title "The New Republic and the Ideal Weekly," H. A. Mason said: "The occasional supplements struck me as models. I can imagine that in the schools to which The New Republic is offered at a cheap rate, the handbook issued before the 1936 election or the supplement on the depression came as a godsend."

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